



# COMMISSION REGULAR MEETING AGENDA

April 12, 2022

To be held in virtually via MS Teams in accordance with Senate Concurrent Resolution 8402 and in accordance with Governor Inslee's Proclamations 20-05 and 20-28 et seq. You may view the full meeting live at [meetings.portseattle.org](https://meetings.portseattle.org). To listen live, call in at +1 (425) 660-9954 or (833) 209-2690 and use Conference ID 262 585 672#

## ORDER OF BUSINESS

10:30 a.m.

### 1. CALL TO ORDER

2. **EXECUTIVE SESSION** – *if necessary, pursuant to RCW 42.30.110 (executive sessions are not open to the public)*

### ► 12:00 noon – PUBLIC SESSION

Reconvene or Call to Order and Pledge of Allegiance

3. **APPROVAL OF THE AGENDA** (*at this time, commissioners may reorder, add, or remove items from the agenda*)

### 4. SPECIAL ORDERS OF THE DAY

### 5. EXECUTIVE DIRECTOR'S REPORT

### 6. COMMITTEE REPORTS

7. **PUBLIC COMMENT** – *procedures available online at <https://www.portseattle.org/page/public-comment-port-commission-meetings>*

**DUE TO SENATE CONCURRENT RESOLUTION 8402 AND THE GOVERNOR'S PROCLAMATION 20-28** there will be no physical location for this meeting and the

**PORT WILL NOT ACCEPT** in-person, verbal comments during the regular meeting of April 12, 2022. Alternatively, during the regular order of business, those wishing to provide public comment will have the opportunity to:

**1) Deliver public comment via email:** All written comments received by email to [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) will be distributed to commissioners and attached to the approved minutes.

**2) Deliver public comment via phone or Microsoft Teams conference:** To take advantage of this option, please email [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org) with your name and the topic you wish to speak to by 9:00 a.m. PT on Tuesday, April 12, 2022. You will then be provided with instructions and a link to join the Teams meeting.

**This process will be in place until further notice. For additional information,** contact [commission-public-records@portseattle.org](mailto:commission-public-records@portseattle.org).

8. **CONSENT AGENDA** (*consent agenda items are adopted by one motion without discussion*)

8a. Approval of Minutes of the Regular Meeting on March 22, 2022. **(no enclosure)**

- 8b. Approval of the Claims and Obligations for the Period March 1, 2022, through March 31, 2022, Including Accounts Payable Check Nos. 942923 through 943377 in the Amount of \$6,166,097.62; Accounts Payable ACH Nos. 043116 through 044069 in the Amount of \$50,319,888.41; Accounts Payable Wire Transfer Nos. 015794 through 015814 in the Amount of \$7,949,846.08, Payroll Check Nos. 200990 through 201259 in the Amount of \$111,393.84; and Payroll ACH Nos. 1068671 through 1072873 in the Amount of \$11,974,134.98 for a Fund Total of \$76,521,360.93. ([memo enclosed](#)) (p.4)
- 8c. Authorization for the Executive Director to Execute up to Three Professional Services Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts for Third-party Commissioning Services, in Support of the Aviation Division's Capital Programs, with a Total Maximum Value of up to \$3,000,000 and a Contract Ordering Period of Up to Five Years. ([memo enclosed](#)) (p.7)
- 8d. Authorization for the Executive Director to Execute a Change Order to Contract MC-0320017 Air Cargo Road Safety Improvements to Add up to 100 Calendar Days to the Contract Duration to Reconcile the Contractual Completion Date to the Actual Completion Date. ([memo enclosed](#)) (p.11)
- 8e. Authorization for the Executive Director to Increase the Project Budget for the Concourse C Temporary Air Handling Units Project in the Amount of \$1,000,000; to Prepare, Advertise, and Execute a Major Works Construction Contract; and to Use Port crews and Small Works Contracts to Assist with the Project, for a Total Estimated Project Cost of \$2,980,000. (CIP #801149) ([memo and presentation enclosed](#)) (p.14)
- 8f. Authorization for the Executive Director to Execute a Settlement Agreement with Wesley Homes Des Moines, LLC, and Wesley Homes Corporation ("Wesley") to Resolve a Dispute Related to the Port's Avigation Easement over Wesley's Property and a Claim for Damages. ([memo enclosed](#)) (p.23)
- 8g. Adoption of Resolution No. 3800: A Resolution Declaring Surplus and No Longer Needed for Port District Purposes Approximately Two Acres of Port-owned Real Property, Commonly Referred to as the 28th Ave South Parcels ("Parcels") Located in the City of SeaTac, King County; and Further Authorizing the Transfer of Approximately 4,000 Square Feet of Said Real Property to the Central Puget Sound Transit Authority ("Sound Transit") for Development of a Light Rail Elevated Guideway; and Further Authorizing the Conveyance of Permanent Easements to Sound Transit on the Parcels that are Required for Permanent Construction of its Elevated Guideway. ([memo, draft resolution, and presentation enclosed](#)) (p.25)
- 8h. Authorization for the Executive Director to Increase the Project Budget for the Airport Terminal Solid Waste Project in the Amount of \$6,176,000; to Advertise and Award a Major Public Works Contract for the Airport's Terminal Solid Waste Project; and to Use Port Crews and Small Works Contracts for Construction Support, for a Total Estimated Project Cost of \$12,576,000. (CIP #C800945) ([memo and presentation enclosed](#)) (p.40)

## 9. UNFINISHED BUSINESS

## 10. NEW BUSINESS

- 10a. Order 2022-05: An Order to Increase the Three-Year Investment in the Maritime Career Launch Pilot Program from \$2.1 million to \$4.1 million. ([draft order enclosed](#)) (p.53)
- 10b. Introduction of Resolution No. 3801: A Resolution Authorizing the Issuance and Sale of Intermediate Lien Revenue and Refunding Bonds in One or More Series in the Aggregate Principal Amount of Not-to-Exceed \$1,000,000,000, for the Purposes of Financing Capital Improvements to Aviation Facilities and Refunding Certain Outstanding Revenue Bonds of the Port; Setting Forth Certain Bond Terms and Covenants; and Delegating Authority to Approve Final Terms and Conditions and the Sale of the Bonds. ([memo](#), [draft resolution](#), and [presentation enclosed](#)) (p.56)

## 11. PRESENTATIONS AND STAFF REPORTS

- 11a. Sound Transit 3 – West Seattle and Ballard Link Extensions (WSBLE) Briefing on Draft Environmental Impact Statement and Ballard/Interbay Segments ([memo](#), [scoping comments](#), and [presentation enclosed](#)) (p.114)
- 11b. Diversity in Contracting Annual Report ([memo](#) and [presentation enclosed](#)) (p.152)
- 11c. C Concourse Expansion Project Briefing (CIP #800845) ([memo](#) and [presentation enclosed](#)) (p.177)
- 11d. Youth Internship Programs Update ([memo](#) and [presentation enclosed](#)) (p.204)

## 12. QUESTIONS on REFERRAL to COMMITTEE and CLOSING COMMENTS

## 13. ADJOURNMENT

**COMMISSION  
AGENDA MEMORANDUM**

Item No. 8b

**ACTION ITEM**

**Date of Meeting** April 12, 2022

**DATE:** April 4, 2022  
**TO:** Steve Metruck, Executive Director  
**FROM:** Duane Hill, AFR Senior Manager Disbursements  
**SUBJECT:** **Claims and Obligations – March 2022**

**ACTION REQUESTED**

Request Port Commission approval of the Port Auditor’s payment of the salaries and claims of the Port pursuant to RCW 42.24.180 for payments issued during the period March 1 through 31, 2022 as follows:

Payment Type	Payment Reference Start Number	Payment Reference End Number	Amount
Accounts Payable Checks	942923	943377	\$ 6,166,097.62
Accounts Payable ACH	043116	044069	\$ 50,319,888.41
Accounts Payable Wire Transfers	015794	015814	\$ 7,949,846.08
Payroll Checks	200990	201259	\$ 111,393.84
Payroll ACH	1068671	1072873	\$ 11,974,134.98
<b>Total Payments</b>			<b>\$ 76,521,360.93</b>

Pursuant to RCW 42.24.180, “the Port’s legislative body” (the Commission) is required to approve in a public meeting, all payments of claims within one month of issuance.

**OVERSIGHT**

All these payments have been previously authorized either through direct Commission action or delegation of authority to the Executive Director and through his or her staff. Detailed information on Port expenditures is provided to the Commission through comprehensive budget presentations as well as the publicly released Budget Document, which provides an even greater level of detail. The Port’s operating and capital budget is approved by resolution in December for the coming fiscal year, and the Commission also approves the Salary and Benefit Resolution around the same time to authorize pay and benefit programs. Notwithstanding the Port’s budget approval, individual capital projects and contracts exceeding certain dollar thresholds are also subsequently brought before the Commission for specific authorization prior to commencement of the project or contract—if they are below the thresholds the Executive Director is delegated authority to approve them. Expenditures are monitored against budgets monthly by management and reported comprehensively to the Commission quarterly.



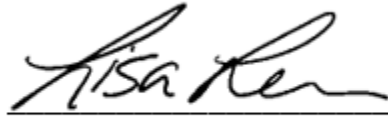
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Effective internal controls over all Port procurement, contracting and disbursements are also in place to ensure proper central oversight, delegation of authority, separation of duties, payment approval and documentation, and signed perjury statement certifications for all payments. Port disbursements are also regularly monitored against spending authorizations. All payment transactions and internal controls are subject to periodic Port internal audits and annual external audits conducted by both the State Auditor's Office and the Port's independent auditors.

For the month of March 2022, over \$64,435,832.11 in payments were made to nearly 717 vendors, comprised of 2,329 invoices and over 7,997 accounting expense transactions. About 88 percent of the accounts payable payments made in the month fall into the Construction, Employee Benefits, Contracted Services, Janitorial Services, Payroll Taxes, Utility Expenses, Public Expense and Sales Tax. Payroll expense for the month of March was \$12,085,528.82.

<b>Top 15 Payment Category Summary:</b>	
<b>Category</b>	<b>Payment Amount</b>
Construction	24,064,490.92
Employee Benefits	9,705,610.62
Contracted Services	6,148,336.78
Janitorial Services	5,415,879.49
Payroll Taxes	4,707,539.23
Utility Expenses	3,640,254.30
Public Expense	2,065,488.89
Sales Taxes	1,028,799.31
Software	883,753.93
Maintenance Inventory	843,887.72
Room/Space/Land Rental	642,437.36
Legal	531,714.28
Environmental Remediation	432,889.22
Computers & Telephone	396,680.62
Membership Dues	391,398.65
Other Categories Total :	3,536,670.79
Net Payroll	12,085,528.82
<b>Total Payments :</b>	<b>\$76,521,360.93</b>

Appropriate and effective internal controls are in place to ensure that the above obligations were processed in accordance with Port of Seattle procurement/payment policies and delegation of authority.



**Lisa Lam/Port Auditor**

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**Port Commission**

**RETURN TO AGENDA**



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8c

**ACTION ITEM**

**Date of Meeting** April 12, 2022

**DATE:** April 1, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Wayne Grotheer, Director, Aviation Project Management Group

**SUBJECT: Indefinite Delivery Indefinite Quantity (IDIQ) Service Agreements for Third-Party Commissioning Agent Services**

**Amount of this request:** \$0  
**Total estimated maximum** \$3,000,000  
**value of contracts:**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute up to three professional services indefinite delivery, indefinite quantity (IDIQ) contracts for third-party commissioning services, in support of the Aviation division's capital programs, with a total maximum value of up to \$3,000,000 and a contract ordering period of up to five years.

**EXECUTIVE SUMMARY**

The Aviation Project Management Group (AV/PMG) utilizes IDIQ contracts to meet highly variable workload projections for design services. The past third-party commissioning agent services IDIQ contracts, valued at \$1,500,000, was used to completion only 2 years into its contract period. Based on current capital project projections, this request will provide the necessary third-party commissioning agent services to meet project needs for the next three to five years.

AV/PMG has identified nearly \$150 million in capital improvement projects that will require the services of a third-party commissioning agent over the next three years. Many of the small and medium projects may utilize the IDIQ contracts described herein for general commissioning, commissioning documentation, pre-construction and post construction services, field investigation, etc. Evaluation of the options resulted in IDIQ contracts being selected as the best method to secure the required services.

**JUSTIFICATION**

The workload demands for delivery of various capital improvement projects at the Seattle-Tacoma International Airport (SEA) are increasing. To support the increasing and dynamic business requirements of SEA, the IDIQ contracts provide flexibility through project-specific

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service directives that allow third-party commissioning services to be provided on an as-needed basis for a fixed period and a maximum contract amount.

***Diversity in Contracting***

There will be a 16% WMBE aspirational goal for each IDIQ contract.

**DETAILS**

This request is to execute three contracts valued at \$1 million each. In the event the Port does not receive a sufficient number of qualified proposals, the Port may award fewer contracts and increase capacity of the awarded contracts to the selected firms, for a total capacity not to exceed \$3 million.

Each contract will have up to a five-year ordering period. Service directives may be issued at any time during the contract-ordering period. Work may be performed after expiration of the ordering period. The total value of all service directives issued on a contract will not exceed the contract value.

Budgets to utilize these contracts will come separately from individual project authorizations.

The IDIQ contracts will be procured according to Port policies and procedures, as well as procurement policy CPO-1. The Port will advertise and issue a solicitation. The contracts will be written with specific not-to-exceed amounts and identify the services required. Each contract will have a contract ordering period (during which the services may be separately authorized) of two years with three option years, for a total of five years. The actual contract duration may extend beyond five years in order to complete the work identified in the service directives. Service directives may be issued during the contract-ordering period and within the total original contract value. The Port will have the option of moving money between contracts if the Port determines that a contracted current firm cannot adequately complete future work requests.

***Scope of Work***

Primary scope will be third-party commissioning agent services. Architectural, structural/civil, and other engineering services will be included as part of these contracts. There will be one procurement for third-party commissioning agent services with up to three (3) contracts issued. Although intent is to award three contracts, one or two contracts may be awarded depending on the qualifications of proposers.

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Procure separate commissioning agent contracts for each project that requires an element of commissioning.

Cost Implications: Each project would expend additional administrative costs to procure individual third-party commissioning agent services contracts.

Pros:

- (1) Separate contracts would allow the consulting firms opportunity for each individual project.
- (2) Defers the administrative cost of procurement to a later date when individual projects each do their own procurement.

Cons:

- (1) Increased cost for individual procurements rather than a more efficient single procurement of one set of IDIQ contracts.
- (2) This alternative is an inefficient use of Port resources and staff time and does not leverage the Port's allowable contracting methods. It would increase overhead and administrative costs to the Port, as we would need to manage more procurement processes and contracts.
- (3) This alternative will add time to each project schedule to complete the procurement process for each individual project and will impact our ability to meet project and customer needs.

This is not the recommended alternative.

**Alternative 2** – Hire two full-time engineers to meet project commissioning requirements.

Cost Implications: A potential savings of approximately \$1 million could be realized over a three-year period, compared with hiring consultants.

Pros:

- (1) Lower hourly cost than the use of consultant engineers.
- (2) Institutional knowledge is built by Port Staff.

Cons:

- (1) Commissioning services is not guaranteed work. Adding full time in-house staff would create long term costs that could potentially be unnecessary during times when the work is not needed.

This is not the recommended alternative.

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**Alternative 3** – Procure three Third-Party Commissioning Agent IDIQ contracts in a single solicitation action.

Cost Implications: No capital costs will be incurred with this procurement. Funding to utilize these contracts will separately be authorized by the individual projects requiring commissioning services.

Pros:

- (1) This alternative would ensure the Port has the necessary professional, technical and advisory resources available to assist with time critical planning efforts and delivery of potential future capital work.
- (2) Women and Minority Owned Business (WMBE) participation will be a contract requirement.
- (3) This alternative would minimize the number of procurement processes necessary for timely completion of tasks and reduce overhead and administrative costs to the Port and consultants.

Cons:

- (1) This alternative would limit the number of opportunities available to firms to compete for work.
- (2) This alternative would not build in-house commissioning expertise.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

There is no funding request directly associated with this authorization. No work is guaranteed to the selected consultants and the Port is not obligated to pay a selected consultant until a service directive is executed. The budget for work performed under each agreement will come from individual service directives authorizing the consultant to perform specific work on the contract against approved project authorizations and within the total contract amount.

**ATTACHMENTS TO THIS REQUEST**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None

**RETURN TO AGENDA**

**COMMISSION  
AGENDA MEMORANDUM**

**ACTION ITEM**

<b>Item No.</b>	8d
<b>Date of Meeting</b>	April 12, 2022

**DATE:** March 21, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Tina Soike, Director Engineering Services  
Janice Zahn, Assistant Engineering Director, Construction Services

**SUBJECT: Air Cargo Road Safety Improvements (MC-0320017/WP#U00085) Change Order Over 60 Days**

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a change order to Contract MC-0320017 Air Cargo Road Safety Improvements to add up to 100 Calendar days to the Contract duration to reconcile the contractual completion date to the actual completion date.

**EXECUTIVE SUMMARY**

This change order requires the addition of up to 100 calendar days to the Contract duration. Commission action is required under the General Delegation of Authority because the Change Order includes a time extension of more than sixty days. No additional project funding is required with this request.

**Description of Change Order**

This change order revises the contract completion date.

**Background**

The Air Cargo Road Safety Improvements project is a renewal and replacement project that brings the roadway corridor up to current standards for operation and safety and completes the permanent access improvements for the Cell Phone Lot. Air Cargo Road was originally constructed circa 1970 and is the primary access for a number of airfield, cargo, and landside facilities. The existing pavement and lighting systems between S. 166<sup>th</sup> St. and S. 170<sup>th</sup> St. are failing and are well beyond their useful life. The Cell Phone Lot was relocated in 2014 to its current location to support the expansion of aircraft hardstand parking on the airfield. The roadway improvements include pavement rehabilitation, traffic signals, roadway illumination, signage, sidewalks, parking lot modifications, bus stops, utilities, landscaping, and intelligent transportation systems.

On March 20, 2021, the Port executed a construction contract with Tucci and Sons, Inc. in the amount of \$5,002,963.30. The Contract was set up to be completed in two phases. Most of the work was scheduled to be completed by October 8, 2021, as part of the first phase. The second



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phase included the traffic signals, roadway illumination, and intelligent transportation systems and was scheduled to be completed by January 16, 2022, since we anticipated that some materials would take longer to procure and install. We did complete the first phase on time and reopened the Cell Phone Lot with the new entrance to the public on October 8, 2021. Unfortunately, the long lead items have taken even more time to procure than anticipated which is driven by COVID supply chain issues. The decorative roadway illumination fixtures have been the hardest item to receive. The light fixtures were modified at the request of the City of SeaTac to match their standard and the costs were settled in Change Order #5 on August 6, 2021. Costs for this change was captured in a change order but the long procurement of these light fixtures was not foreseen at the time of the change. The Port and the Contractor mutually agreed that this procurement delay is out of the control of both the contractor and Port, and we are granting a time extension for up to 100 Excusable and Non-Compensable Days. The current value of the Contract is \$5,901,781.27.

**FINANCIAL IMPLICATIONS**

There is no additional funding being requested with this action.

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Do not authorize the issuance of the Change Order and delete the light fixtures from the contract.

**Pros:**

- (1) The contract might be closed out earlier than the current schedule.

**Cons:**

- (1) The project would not complete the roadway illumination improvements bringing the roadway corridor up to current standards. This might put the Port at legal risk if someone was injured on our property or within the adjacent City right-of-way.
- (2) The Port's obligations under SEPA and to the City of SeaTac for the Cell Phone Lot are not satisfied.

This is not the recommended alternative.

**Alternative 2** – Authorize the issuance of the Change Order to extend the Contract duration by up to 100 days.

**Pros:**

- (1) This completes the roadway illumination improvements bringing the roadway corridor up to current standards.
- (2) The Port's obligations under SEPA and to the City of SeaTac for the Cell Phone Lot are satisfied.
- (3) The Port staff has analyzed the schedule delays and established the change order amount and time extension that is fair and reasonable.

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Cons:

- (1) The project is completed and closed out later than planned.

**This is the recommended alternative.**

**ATTACHMENTS TO THIS REQUEST**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- October 13, 2020 – The Commission authorized the Executive Director to (1) amend a purchased services contract to maintain the temporary traffic signal for a total contract value above \$300,000, (2) advertise and award a major public works contract, and (3) authorize an additional \$9,936,410 for the construction of the Air Cargo Road Safety Improvements project at Seattle-Tacoma International Airport for a total estimated project cost of \$13,500,000.
- July 11, 2017 –The Commission authorized the Executive Director to 1) execute a professional services contract; 2) execute an interlocal agreement with King County for the operation and maintenance of traffic signals; 3) proceed with the design and preparation of contract bid documents for the Air Cargo Rd. Safety Improvements project; 4) utilize Port crews and small works contract to complete the early pavement repair work; and 5) transfer \$3,019,590 of budget from the Cell Phone Lot project.
- April 14, 2015 –The Commission authorized the Chief Executive Officer to 1) execute a design contract for the Cell Phone Lot and the Air Cargo Rd. Safety Improvements projects at the Airport; and 2) to continue the Cell Phone Lot project for an additional \$649,900. This also included the extension of the operation and maintenance agreement for the Cell Phone Lot traffic signal.
- May 6, 2014 –The Commission authorized an additional \$822,100 to complete the construction of the Cell Phone Lot at the Airport.
- September 10, 2013 -The Commission authorized the Chief Executive Officer to 1) proceed with construction of the Cell Phone Lot project at the Airport; 2) utilize Port Construction Services crews to self-perform the construction; 3) advertise for bids and award a major public works project-specific unit price contract for asphalt and striping; and 4) execute and interlocal agreement with the City of SeaTac for the design, installation, and operation of a temporary traffic signal on S 170th St. for an additional \$1,420,000.
- December 11, 2012 –The Commission authorized the Chief Executive Officer to proceed with the design of the Cell Phone Lot project for \$408,000.

**RETURN TO AGENDA**

**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.** 8e

**ACTION ITEM**

**Date of Meeting** April 12, 2022

**DATE:** April 4, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Eileen Francisco, Interim Director - Aviation Facilities and Capital Programs  
Wayne Grotheer, Director - Aviation Project Management Group

**SUBJECT:** **Concourse C Temporary Air Handling Units (CIP#801149)**

**Amount of this request:** \$1,000,000

**Total estimated project cost:** \$2,980,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to (1) increase the project budget for the Concourse C Temporary Air Handling Units project in the amount of \$1,000,000; (2) prepare, advertise, and execute a major works construction contract; and (3) use Port crews and small works contracts to assist with the project. The total estimated cost of this project is \$2,980,000.

**EXECUTIVE SUMMARY**

The existing Air Handling Units (AHUs) on Concourse C are at maximum capacity and are no longer able to meet current demands. Additional air is needed for tenant buildouts of additional Airport Dining and Retail (ADR) spaces and new restrooms. Two additional AHUs will be added on the roof of Concourse C to provide additional air until a planned future project will upsize all the existing AHUs on Concourse C. These temporary units are needed now to meet existing lease agreements with tenants and to support the new restrooms that are currently under construction. As the project progressed with design, it identified the need for additional funding because of current market conditions and increased material costs, specifically in the piping and AHUs.

**JUSTIFICATION**

Three ADR leases have been signed to replace a single existing restaurant space. The new leases consist of two restaurants and a retail space which requires additional air capacity as compared to the previous single restaurant. The restrooms on Concourse C are being replaced to provide better passenger experience and are increasing the turnover rate of air in the restrooms from eight times per hour to twenty times per hour. These modifications exceed the existing system's capacity. Restrooms in public buildings typically require ten to twelve times per hour

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air change rate for standard use, so a higher turnover rate for the Concourse C restrooms will maintain fresh air and lower odors for the improved passenger experience.

Adding the two temporary units will provide the additional capacity for the next five to ten years until the future project to upgrade all the air handlers, including the addition of smoke control, can be completed. This larger project will also replace and upgrade all the AHUs on Concourses B and D which are at the end of useful life.

Multiple cost drivers regarding materials have increased the budget need. These additional materials include HVAC components, seismic upgrades, roofing costs, chill water piping and piping costs, and an increase in the cost of demolition. Both the air handling units and associated piping have doubled in cost in the last 18 months. Lastly, a 10% market contingency was added based on current conditions. In total, the construction bid estimate will increase by around \$1 million.

### ***Diversity in Contracting***

The project team with the Diversity in Contracting Department determined a six percent aspirational goal for WMBE participation for the major works construction contract.

### **DETAILS**

This project installs two new energy efficient AHUs to provide additional air capacity to Concourse C to improve passenger experience.

### ***Scope of Work***

The project requires additional air capacity in two zones at Concourse C. To accomplish the work:

- (1) Two, 4,900 CFM AHUs will be installed on the roof of Concourse C and have heating and chilled water connected from the campus systems, along with direct digital controls wiring for control and monitoring of the equipment. A major public works construction project will be used to perform the work.

### ***Schedule***

#### *Activity*

Construction start	2022 Quarter 3
In-use date	2023 Quarter 1

### ***Cost Breakdown***

	This Request	Total Project
Design	\$0	\$250,000
Construction	\$1,000,000	\$2,730,000
Total	\$1,000,000	\$2,980,000

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED****Alternative 1 – Defer the project**Cost Implications: Approximately \$200,000 would need to be expensed.Pros:

- (1) No capital investment.

Cons:

- (1) Does not provide the needed air for new restrooms currently under construction.
- (2) Does not provide the needed air for ADR spaces that are currently leased and soon to be constructed.

This is not the recommended alternative.

**Alternative 2 – Approve the increased budget.**Cost Implications: \$3,000,000Pros:

- (1) Provides the air required for restrooms and ADR spaces.

Cons:

- (1) Highest capital investment.

***This is the recommended alternative.*****FINANCIAL IMPLICATIONS**

<b><i>Cost Estimate/Authorization Summary</i></b>	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$2,000,000	\$0	\$2,000,000
Art Transfer	-20,000		-20,000
Current change	\$1,000,000	\$0	\$1,000,000
Revised estimate	\$2,980,000	\$0	\$2,980,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$1,980,000	\$0	\$1,980,000
Current request for authorization	\$1,000,000	\$0	\$1,000,000
Total authorizations, including this request	\$2,980,000	\$0	\$2,980,000
Remaining amount to be authorized	\$0	\$0	\$0
Revised Project Budget	\$2,980,000	\$0	\$2,980,000

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***Annual Budget Status and Source of Funds***

This project, CIP C801149, was included in the 2022-2026 capital budget and plan of finance with a budget of \$1,980,000. A budget decrease of \$1,000,000 was transferred from the Aeronautical Reserve CIP (C800753) resulting in zero net change to the Aviation capital budget. The funding sources will be Airport Development Fund (ADF) and 2018 revenue bonds.

***Financial Analysis and Summary***

Project cost for analysis	\$2,980,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	N/A
CPE Impact	\$.01 in 2024

***Future Revenues and Expenses (Total cost of ownership)***

This project will add additional equipment and will impact current Aviation Maintenance O&M costs.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- August 11, 2020 – The Commission authorized \$2,000,000 for design and construction.

# Concourse C Temporary Air Handling Units

Seattle-Tacoma  
International Airport



# Concourse HVAC Concerns

- Most Air Handling Units (AHUs) on Concourse C are operating at full capacity.
- Future project to upgrade and replace the AHUs and add smoke control will take several years to complete because of complexity.



Project Location

# Project Scope

- Add two, 5-10 year temporary AHUs
  - Provides additional air required to support existing ADR tenant leases that are soon to be constructed
  - Supports increase turnover rate of air for new restrooms that are currently under construction to improve passenger experience
  - Minimizes impact to operations by connecting to existing ductwork



Temporary AHUs

# Additional Funding

- Material Costs
  - Inflation and supply chain issues has increased costs on multiple components needed for the project
  - AHUs have more than doubled in cost
- Additional Piping
  - Longer runs needed to provide adequate heating and cooling water to units then initially planned
  - Piping costs have gone up along with needed insulation to meet energy requirements

# Project Schedule

- Q2 2022: Finalize design and go out for Bid
- Q3 2022: Start construction
- Q4 2022: AHUs in-use

[RETURN TO AGENDA](#)

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

8f

**ACTION ITEM**

**Date of Meeting**

April 12, 2022

**DATE :** March 25, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Pete Ramels, General Counsel  
Marie Quasius, Senior Port Counsel

**SUBJECT: Authorization for the Executive Director to Execute a Settlement Agreement to Resolve Easement Dispute and Claims for Damages**

**Amount of this request:** \$1,290,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a settlement agreement with Wesley Homes Des Moines, LLC and Wesley Homes Corporation ("Wesley") to resolve a dispute related to the Port's avigation easement over Wesley's property and a claim for damages.

**EXECUTIVE SUMMARY**

In acknowledgment of and in exchange for actions described in the Settlement Agreement, Wesley will release its claims against the Port and clarify the terms of the easement.

1. The Port will conduct acoustical testing at Wesley's "Terrace Building" (a 1960's era multi-story building) to determine interior noise levels from aircraft operations.
2. The Port and Wesley will work cooperatively to seek FAA funding for noise mitigation improvements at the Terrace Building when/if it meets specified exterior noise levels.
3. The Port is committing to engage a consultant to conduct a full Part 150 update for SEA Airport which will include noise contours for the airport and to make a budget commitment in 2023 for funding commencement of the update.
4. The Port will reimburse Wesley for up to \$250,000 in documented attorney and expert fees that Wesley has incurred in connection with this dispute.
5. Wesley is going to provide the Port with a revised avigation easement that clarifies the metric for measuring the burden, among other revisions to the easement.

The Port denies Wesley's claims. However, considering the costs of litigation that would be needed to take this matter to trial, the settlement is recommended.

Meeting Date: April 12, 2022

This matter was discussed in privileged attorney-client communications.

There are no attachments to this memo.

**RETURN TO AGENDA**

**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.** 8g

**ACTION ITEM**

**Date of Meeting** April 12, 2022

**DATE:** March 21, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Jeff Moken, Interim Director Aviation and Business Properties  
Steve Kennard, Property Manager

**SUBJECT: Adoption of Resolution No. 3800 to Convey Property and Permanent Easements to Sound Transit**

**ACTION REQUESTED**

Request Commission adoption of Resolution No. 3800: A Resolution of the Port Commission of the Port of Seattle declaring surplus and no longer needed for port district purposes approximately 2 acres of Port-owned real property, commonly referred to as the 28<sup>th</sup> Ave South Parcels ("Parcels") located in the City of SeaTac, King County; and further authorizing the transfer of approximately 4,000 square feet of said real property to the Central Puget Sound Transit Authority ("Sound Transit") for development of a light rail elevated guideway; and further authorizing the conveyance of permanent easements to Sound Transit on the Parcels that are required for permanent construction of its elevated guideway.

**EXECUTIVE SUMMARY**

This is a multi-part request for declaration of surplus and conveyance of real property interests by the Port to Sound Transit.

**Surplus Property:** The subject Parcels were acquired by the Port with FAA funding in 2007 to mitigate noise impacts on residential property. Ten of the twelve acres of the combined area of the Parcels were conveyed to WSDOT in 2019 for development of the SR 509 extension. WSDOT declined to purchase the Parcels intact and instead purchased only the minimum land area needed for constructing SR 509. Sound Transit also declined to purchase the remaining two acres that now comprise the Parcels and is requiring the Port to sell approximately 4,000sf of the Parcels. It is the Port's intent to declare surplus the entirety of the Parcels and to convey the remainder (after Sound Transit's purchase) to a buyer as soon as reasonably possible and upon approval from the FAA and authorization by the Commission. The Port has not identified an aviation related use for the Parcels.

**Request for Conveyance:** The sale of a portion of the Parcels and conveyance of permanent easements to Sound Transit will accommodate the extension of Sound Transit's rail line from Angle Lake Station to Federal Way. The elevated guideway which carries the trains will displace



April 12, 2022

28<sup>th</sup> Ave S and an adjacent public sewer to westward approximately 25 feet onto Port property. If the conveyance of land and easements is approved, the displaced road will be built on the acquired portion of the Parcels, and the sewer and guideway easements will permanently encumber the remainder of the Parcels still owned by the Port.

**JUSTIFICATION**

This action supports an important expansion of Sound Transit’s regional rail system which is responsive to regional governmental policy and voter approval. The Parcels were acquired for noise mitigation and their disposal will include an avigation easement reserving the Port’s rights to operate the airport without obstruction and complaint. The Port has reviewed Sound Transit’s appraisal and agrees that the valuation is consistent with fair market value.

**Scope of Work**

Execute conveyance documents.

**Schedule**

Q2 2022

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

No alternatives were considered since Sound Transit can require conveyance using its authority of eminent domain.

**FINANCIAL IMPLICATIONS**

The Port will receive market value for the property sold, and compensation for permanent value diminution resulting from the sewer and guideway easements.

Area	Square Footage	Valuation
Before Fee Take	90,282	\$2,708,460
Fee Take	(4,195)	\$(126,000)
Easement/Encumbrance Value Diminution	-	\$(187,000)
Total Compensation Value	-	Sub Total \$(313,000)
After Fee Take and Easements	86,087	\$2,395,460

All values have been reviewed and approved by Port appraiser.

**ATTACHMENTS TO THIS REQUEST**

- (1) Draft Resolution No. 3800
- (2) Presentation

April 12, 2022

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

July 12, 2007 (signature date)—Related Action—Resolution 3581: Authorization of acquisition of subject parcels

October 22, 2019 (meeting date)—Related Action—Resolution 3762: Surplus resolution for conveyance of a portion of Parcels to WSDOT

**PORT OF SEATTLE  
RESOLUTION NO. 3800**

**A RESOLUTION** of the Port Commission of the Port of Seattle declaring surplus and no longer needed for port district purposes approximately 88,325 square feet (2.3 acres) of Port-owned real property located in the City of SeaTac, King County; and further authorizing the Executive Director, or his designee, to finalize negotiation, prepare and execute all necessary documents to convey in fee and permanent easement a portion of said real property to Sound Transit for use in the development of the Federal Way Link Extension Project

**WHEREAS**, the voters of King County, pursuant to the provisions of enabling legislation adopted by the Legislature of the State of Washington, Chapter 92, Laws of 1911, RCW 53.04.010, authorized and approved at a special election held in King County on the 5th day of September 1911, the formation of a port district coextensive with King County to be known as the Port of Seattle; and

**WHEREAS**, the Port of Seattle (the “Port”) was thereupon established as a port district and has since been and now is a duly authorized and acting port district of the State of Washington; and

**WHEREAS**, the Port owns certain real property consisting of approximately 88,325 square feet (2.3 acres) located in the City of SeaTac, King County, Washington with the legal description as set forth on attached Exhibit A together with the improvements thereon (collectively, the “Property”); and

**WHEREAS**, the Central Puget Sound Regional Transit Authority (“Sound Transit”) by letter dated July 30, 2021 has offered to purchase a portion of the Property (the “Fee Take Property”), and to obtain a permanent Guideway Easement (the “Guideway Easement”) and a permanent Sewer Easement (the “Sewer Easement”) on other portions of the Property

(collectively, the “Sound Transit Acquisition Property”), from the Port, under threat of condemnation, for the aggregate price of \$313,000 (the “Sound Transit Acquisition Offer”), said offer price being determined based on a market value appraisal prepared by Richard P. Herman, R.P. Herman & Associates LLC, Washington State Certified General Real Estate Appraiser (WA License No. 1100435) (the “Sound Transit Appraisal”); and

**WHEREAS**, the individual legal descriptions for the Fee Take Property, the Guideway Easement property and the Sewer Easement property are as set forth, collectively, on attached Exhibits B-1, B-2 and B-3; and

**WHEREAS**, Sound Transit intends to utilize the Sound Transit Acquisition Property in connection with its construction and operation of the Federal Way Link Extension, extending its light system from the Angle Lake Station in the City of SeaTac to the Federal Way Transit Center; and

**WHEREAS**, the Port has reviewed the Sound Transit Acquisition Offer and the Sound Transit Appraisal, including review of a third-party validity assessment of the Sound Transit Appraisal prepared by Kidder Mathew’s David M. Chudzik, Washington State Certified General Real Estate Appraiser (WA Certificate No. 1102099), the Port’s Member Appraisal Institute (MAI) appraiser; and

**WHEREAS**, the Port intends to sell at a later date the remainder of the Property (less the portions consisting of the Fee Take Property), consisting of approximately 84,130 square feet (the “Remainder Property”), to a suitable to-be-determined third party, for fair market value, pending subsequent Commission review and authorization; and

**WHEREAS**, pursuant to Chapter 39.33 of the Revised Code of Washington (Intergovernmental Disposition of Property Act) the Port may sell, transfer, exchange, lease or otherwise dispose of real and personal property to the state, any municipality or any political subdivision thereof on such terms and conditions as may be mutually agreed upon by the governing authorities of the participating entities; and

72           **WHEREAS**, a resolution declaring the Property surplus to port district needs and no longer  
73 needed for port district purposes is a prerequisite to conveyance of the Sound Transit Acquisition  
74 Property to Sound Transit as well as for the eventual sale of the Remainder Property to a suitable  
75 third party purchaser; and

76  
77           **WHEREAS**, an official public hearing was held March 22, 2022, after notice of such  
78 hearing was duly published as provided by law, to consider whether the Property should be  
79 declared no longer needed for port district purposes and surplus to port district needs and the  
80 proposed conveyance of the Sound Transit Acquisition Property to Sound Transit; and

81  
82           **WHEREAS**, the maps and other data regarding the Property, including the Sound Transit  
83 Acquisition Property for proposed conveyance to Sound Transit, are on file at the offices of the  
84 Port's Airport Properties Division; and

85  
86           **WHEREAS**, the Port of Seattle Commission has heard from all persons desiring to speak  
87 at the public hearing regarding the proposed surplusing of the Property and conveyance of the  
88 Sound Transit Acquisition Property to Sound Transit; and

89  
90           **WHEREAS**, the members of the Port of Seattle Commission have considered the proposed  
91 surplusing of the Property, the proposed conveyance of the Sound Transit Acquisition Property to  
92 Sound Transit, and any comments by members of the public attending the public hearing.

93  
94           **NOW, THEREFORE, BE IT RESOLVED**, by the Port Commission of the Port of  
95 Seattle that:

96  
97           Section 1.     The Property, described on Exhibit A attached to this Resolution, is no  
98 longer needed for Port purposes and is hereby declared surplus to Port needs.

99  
100          Section 2.     The Executive Director, or his designee, is authorized to finalize  
101 negotiation, prepare and execute all necessary documents to convey the Sound Transit Acquisition  
102 Property to Sound Transit for the total price of Three Hundred Thirteen Thousand and 00/100  
103 Dollars (\$313,000).

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ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof, held this \_\_\_\_ day of \_\_\_\_\_, 2022, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.

## Port Commissioners

EXHIBIT A  
TO  
RESOLUTION NO. 3800

Legal Description of Property

**PIN 3445000141**

THE SOUTH 140 FEET OF TRACT 19, HOMESTEAD PARK FIVE ACRE TRACTS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 7 OF PLATS, PAGE 88, IN KING COUNTY, WASHINGTON; EXCEPT THE EAST 5 FEET THEREOF CONVEYED TO KING COUNTY FOR ROAD BY DEED RECORDED IN VOLUME 8 OF DEEDS, PAGE 123.

TOGETHER WITH THAT PORTION OF 26TH AVENUE SOUTH AS VACATED BY ORDINANCE NO. 4010, RECORDED UNDER RECORDING NO. 7901181063, AS WOULD ATTACH BY OPERATION OF LAW.

EXCEPT THAT PORTION OF SAID TRACT 19 CONVEYED TO THE STATE OF WASHINGTON BY DEED RECORDED UNDER RECORDING NUMBER 2020012801255, IN KING COUNTY, WASHINGTON.

TOGETHER WITH:

**PIN 3445000155**

TRACT 22, HOMESTEAD PARK FIVE ACRE TRACTS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 7 OF PLATS, PAGE 88, IN KING COUNTY, WASHINGTON; EXCEPT THE EAST 5 FEET THEREOF CONVEYED TO KING COUNTY FOR ROAD BY DEED RECORDED IN VOLUME 8 OF DEEDS, PAGE 123.

TOGETHER WITH THAT PORTION OF 26TH AVENUE SOUTH AS VACATED BY ORDINANCE NO. 4010, RECORDED UNDER RECORDING NO. 7901181063, AS WOULD ATTACH BY OPERATION OF LAW.

AND EXCEPT THAT PORTION OF SAID TRACT 22 CONVEYED TO THE STATE OF WASHINGTON BY DEED RECORDED UNDER RECORDING NUMBER 20200128001255, IN KING COUNTY, WASHINGTON.



**EXHIBIT B-1  
TO  
RESOLUTION NO. 3800**

**Legal Description of the Fee Take Property**

THAT PORTION OF THE PROPERTY (SAID PROPERTY BEING DESCRIBED IN EXHIBIT "A" ATTACHED HERETO), DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTHEAST CORNER OF SAID PROPERTY;  
THENCE ALONG THE EAST LINE THEREOF, S00°30'38"E A DISTANCE OF 140.09 FEET  
TO THE SOUTHEAST CORNER OF SAID PROPERTY;  
THENCE ALONG THE SOUTH LINE THEREOF, N88°29'27"W A DISTANCE OF 21.96 FEET;  
THENCE LEAVING SAID SOUTH LINE, N04°21'02"W A DISTANCE OF 17.91 FEET;  
THENCE N02°06'16"W A DISTANCE OF 16.61 FEET;  
THENCE N02°23'15"E A DISTANCE OF 16.74 FEET;  
THENCE N10°33'24"E A DISTANCE OF 43.67 FEET;  
THENCE N17°06'51"E A DISTANCE OF 47.50 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 2,309 SQUARE FEET, MORE OR LESS.

TOGEHER WITH:

THAT PORTION OF THE PROPERTY (SAID PROPERTY BEING DESCRIBED IN EXHIBIT "A" ATTACHED HERETO), DESCRIBED AS FOLLOWS:

**BEGINNING** AT THE NORTHEAST CORNER OF SAID PROPERTY;  
THENCE ALONG THE EAST LINE THEREOF, S00°30'38"E A DISTANCE OF 101.02 FEET;  
THENCE LEAVING SAID EAST LINE, S85°38'58"W A DISTANCE OF 15.08 FEET;  
THENCE N04°21'02"W A DISTANCE OF 103.04 FEET TO THE NORTH LINE OF SAID PROPERTY;  
THENCE ALONG SAID NORTH LINE, S88°29'27"E A DISTANCE OF 21.96 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 1,886 SQUARE FEET, MORE OR LESS.

**EXHIBIT B-2  
TO  
RESOLUTION NO. 3800**

**Legal Description of the Guideway Easement Property**

THAT PORTION OF THE PROPERTY (SAID PROPERTY BEING DESCRIBED IN EXHIBIT "A" ATTACHED HERETO), DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID PROPERTY;  
THENCE S17°06'51 "W A DISTANCE OF 47.50 FEET;  
THENCE S10°33'24"W A DISTANCE OF 9.47 FEET;  
THENCE N04°20'40"W A DISTANCE OF 55.39 FEET TO THE NORTH LINE OF SAID PROPERTY;  
THENCE ALONG SAID NORTH LINE, S88°29'27"E A DISTANCE OF 19.92 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 523 SQUARE FEET, MORE OR LESS.

TOGETHER WITH:

THAT PORTION OF THE PROPERTY (SAID PROPERTY BEING DESCRIBED IN EXHIBIT "A" ATTACHED HERETO), DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID PROPERTY;  
THENCE ALONG THE EAST LINE THEREOF, S00°30'38"E A DISTANCE OF 101.02 FEET TO THE **POINT OF BEGINNING**;  
THENCE CONTINUING ALONG SAID EAST LINE, S00°30'38"E A DISTANCE OF 55.19 FEET; THENCE LEAVING SAID EAST LINE, N04°20'40"W A DISTANCE OF 55.07 FEET TO A POINT THAT BEARS S85°38'58"W FROM THE POINT OF BEGINNING;  
THENCE N85°38'58"E A DISTANCE OF 3.69 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 102 SQUARE FEET, MORE OR LESS.

**EXHIBIT B-3  
TO  
RESOLUTION NO. 3800**

**Legal Description of the Sewer Easement Property**

THAT PORTION OF THE PROPERTY (SAID PROPERTY BEING DESCRIBED IN EXHIBIT "A" ATTACHED HERETO), DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID PROPERTY;  
THENCE S17°06'51"W A DISTANCE OF 4.11 FEET TO THE **POINT OF BEGINNING**;  
THENCE CONTINUING, S17°06'51"W A DISTANCE OF 43.39 FEET;  
THENCE S 10°33 '24"W A DISTANCE OF 40.36 FEET;  
THENCE N00°42'37"W A DISTANCE OF 69.94 FEET;  
THENCE N61°56'24"E A DISTANCE OF 23.83 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 641 SQUARE FEET MORE OR LESS.

TOGETHER WITH:

COMMENCING AT THE NORTHEAST CORNER OF SAID PROPERTY;  
THENCE ALONG THE NORTH LINE THEREOF, N88°29'27"W A DISTANCE OF 21.96 FEET TO THE **POINT OF BEGINNING**;  
THENCE LEAVING SAID NORTH LINE, S00°49'23"E A DISTANCE OF 4.95 FEET;  
THENCE S00°03'50"E A DISTANCE OF 215.40 FEET;  
THENCE S83°51 '42"E A DISTANCE OF 23.76 FEET TO THE EAST LINE OF SAID PROPERTY;  
THENCE ALONG SAID EAST LINE, N00°30'38"W A DISTANCE OF 15.10 FEET;  
THENCE LEAVING SAID EAST LINE, N83°51 '42"W A DISTANCE OF 8.55 FEET;  
THENCE N00°03'50"W A DISTANCE OF 104.70 FEET;  
THENCE S85°38'58"W A DISTANCE OF 7.38 FEET;  
THENCE N04°21 '02"W A DISTANCE OF 103.04 FEET TO **POINT OF BEGINNING**.

CONTAINING 2,297 SQUARE FEET, MORE OR LESS.

# Port of Seattle

## Property Surplus and Conveyance to Sound Transit

S 204<sup>th</sup> St. and 28<sup>th</sup> Ave S.

Commission Meeting April 12, 2022



# Property Surplus and Conveyance to Sound Transit

## Subject Parcels Location



Subject Parcels — — — — —

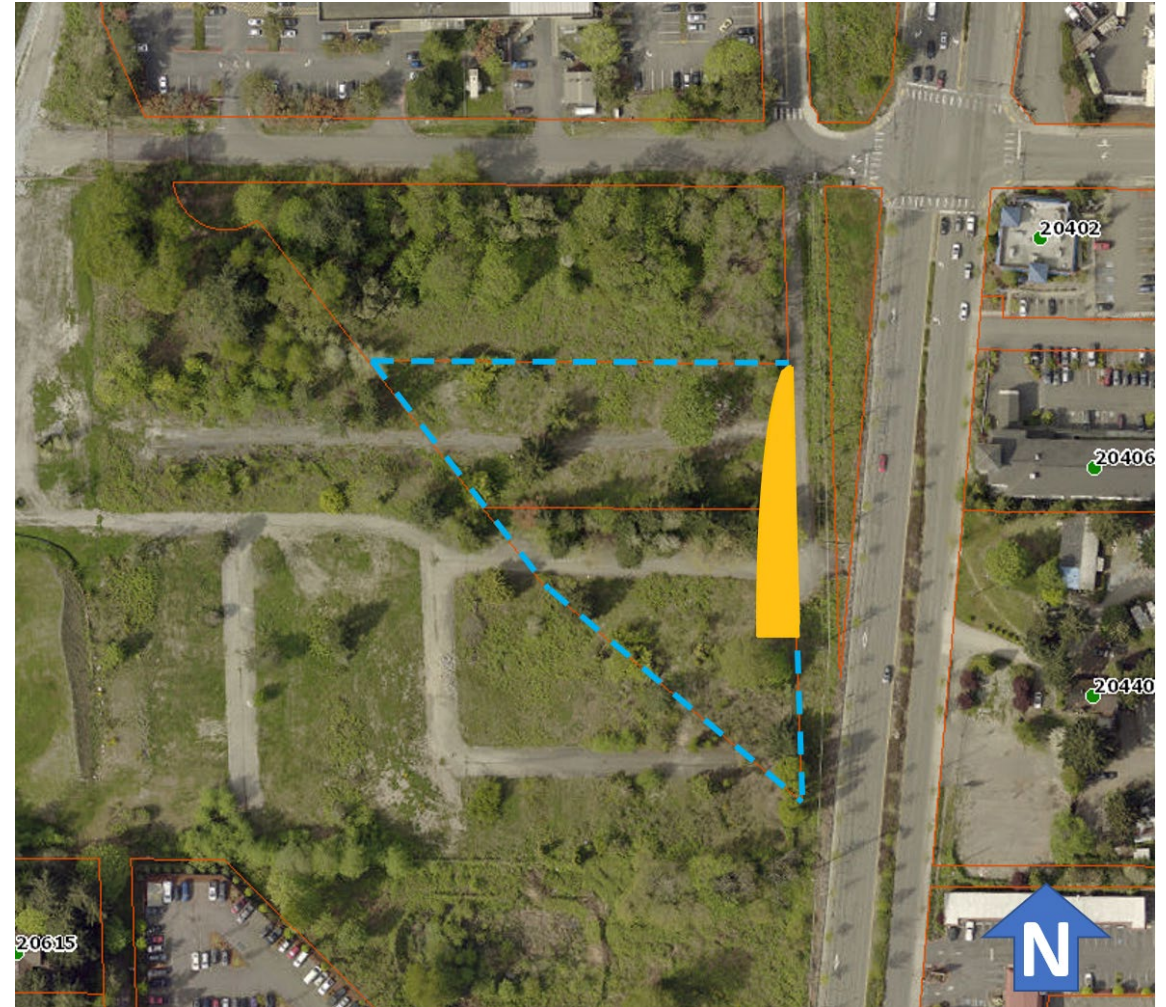


# Detail



# Property Surplus and Conveyance to Sound Transit

Area	Square Footage	Valuation
Before Fee Take	90,282	\$2,708,460
<b>Fee Take</b>	(4,195)	\$(125,850)
Easement/Encumbrance Value Diminution		\$(186,800)
Total Compensation Value	Sub total	\$(313,000)
After Fee Take and Easements (Remainder to be sold)	86,087	\$2,395,460



[RETURN TO AGENDA](#)



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

8h

**ACTION ITEM**

**Date of Meeting**

April 12, 2022

**DATE:** March 21, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Eileen Francisco, Interim Director, Aviation Facilities and Capital Programs  
Wayne Grotheer, Director, Aviation Project Management

**SUBJECT: Airport Terminal Solid Waste Project (CIP #800945)**

**Amount of this request:** \$10,576,000

**Total estimated project cost:** \$12,576,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to: (1) increase the project budget for the Airport Terminal Solid Waste project in the amount of \$6,176,000; (2) advertise and award a major public works contract for the Airport's Terminal Solid Waste Project; and (3) use Port crews and small works contracts for construction support. The total estimated cost of this project is \$12,576,000.

**EXECUTIVE SUMMARY**

Solid Waste throughput and capacity are essential for Airport operations, passenger comfort, worker safety, and overall sanitation. The current solid waste infrastructure is at capacity and needs to be expanded to meet future demands.

This request is for project construction authorization to build an additional 2,400 square feet representing a 250 percent increase in dedicated refuse collection space and associated utilities at the North and South Ramp areas of the Central Terminal. In addition, the project will install sanitation stations at waste collection areas across the Airport to address regulatory findings. This project directly supports the Airport's Environmental Landfill Diversion Strategy.

The original project budget set before the start of project design was \$6,400,000. The new budget estimate is \$12,576,000, an increase of \$6,176,000. This budget increase includes material cost increases (primarily steel and concrete), changes in the building code, unprecedented escalation, required structural and utility upgrades, and associated soft costs necessary to accommodate the project.



Meeting Date: April 12, 2022

**JUSTIFICATION**

This action ensures adequate solid waste infrastructure is in place to meet operational, passenger comfort, pest control and worker safety needs. Solid waste generation is directly proportional to the number of passengers utilizing the Airport and the Airport's Dining and Retail services. Pre-pandemic terminal solid waste generation (2010 to 2019) grew by 45 percent from 5,500 to 8,000 tons annually. The current facilities are at capacity and require attention. The project requirements are based on the Airport's Solid Waste Management Plan and the 2016 Solid Waste Growth Forecast and Capacity Study.

The Central Terminal core solid waste refuse collection and processing areas were constructed in 2003. The space provided two-stream operations for garbage and recycling only. Composting operations began in 2006 and are handled by movable bins. The limited space in the current facility limits the ability for operational solutions to manage solid waste levels, which results in overflow of solid waste and unsanitary conditions. Overflowing waste is often blown onto the ramp creating foreign object debris, a serious safety hazard to aircraft engines. Additionally, when solid waste compactors are full tenants are more likely to incorrectly throw waste in other containers, contaminating them and eliminating their ability to be properly recycled. This project will build the required additional space and infrastructure to meet future demands for solid waste, including recycling and composting, while remaining compliant with federal code and sanitation guidelines.

This project directly supports the Port's Century Agenda goal to be the greenest and most energy efficient Port in North America by expanding compost and recycling capacity, which enables the airport to meet its solid waste diversion goals. Diverting waste from the Cedar Hills Regional landfill reduces greenhouse gas emissions and reduces airport costs to dispose of solid waste. Expanding solid waste capacity through system changes and expanded capacity containers reduces the total number of vehicle trips required from the Airport to Solid Waste processing facilities which reduces vehicular traffic and the Port's overall carbon footprint.

***Diversity in Contracting***

The Women and Minority Business Enterprise (WMBE) construction goal is set at 12%. The Design Consultant WMBE commitment is 20% and is achieving a participation rate of 33%.

**DETAILS**

The Terminal Solid Waste Project is essential work to right-size the facility infrastructure to accommodate the growth in the Airport and subsequent increase in solid waste volumes. The project accommodates passenger and terminal growth through 2036, aligns with Century Agenda and Environmental diversion goals and satisfies numerous regulatory requirements.

Meeting Date: April 12, 2022

***Scope of Work***

The Terminal Solid Waste project will construct 2,400 square feet of dedicated refuse collection space and associated utilities at the North and South Ramp areas of the Central Terminal. The project will install sanitation stations at waste collection areas across the Airport and make repairs to the current Central Terminal collection areas to improve drainage, general sanitation, and worker safety.

***Schedule***

The initial design strategy for this project was to utilize an existing Indefinite Delivery Indefinite Quantity (IDIQ) professional services contract. Due to the complex nature of the project's multiple locations and timeline requirements, design fee proposals from several existing on-call design consultants exceeded expected costs and the limits of the IDIQ contract's available capacity. The project returned to Commission in April 2020 for authority to procure a project specific contract. That action was expected to take 9 months. Further refinements to the schedule added an additional 3 months and included coordination with adjacent projects on timing of work and extensive phasing plans to mitigate construction impacts of the project.

***Activity***

Construction start	2023 Quarter 1
In-use date	2023 Quarter 4

***Cost Breakdown***

	This Request	Total Project
Design	\$0	\$2,000,000
Construction	\$10,576,000	\$10,576,000
Total	\$10,576,000	\$12,576,000

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Construct Central Terminal North refuse area only at cost of \$6,000,000. This alternative provides for a 1600 square foot purpose-built facility to dispose of refuse from the CT North and Concourses C & D. Additional sanitation stations are not included in this option.

Cost Implications: \$6,000,000

**Pros:**

- (1) Design within current budget.
- (2) No major gate impacts.
- (3) Construction can start as early as Fall 2022.

Meeting Date: April 12, 2022

Cons:

- (1) Does not meet the forecasted waste stream need of the South-Central Terminal or Concourses A and B.
- (2) Sanitary concerns and regulatory compliance issues with the Food and Drug Administration.

This is not the recommended alternative.

**Alternative 2 – Fully fund the current requirement.**Cost Implications: \$12,576,000Pros:

- (1) Provides capacity to meet the projected 15-year Solid Waste volumes; provides overflow capacity/flexibility to mitigate increased peak volumes, missed waste pickups, daily haul downtime and equipment breakdowns.
- (2) Allows Airport to meet environmental sustainability waste diversion goal through increased recycling and composting throughput capability.
- (3) Improves Airport refuse area sanitation conditions.

Cons:

- (1) Most expensive option.
- (2) Requires Gate B1 to be closed for approximately 7 ½ months.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS*****Cost Estimate/Authorization Summary***

	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$6,200,000	\$200,000	\$6,400,000
Current change	\$6,176,000	\$0	\$6,176,000
Revised estimate	\$12,376,000	\$200,000	\$12,576,000
<b>AUTHORIZATION</b>			
Previous authorizations	\$1,950,000	\$50,000	\$2,000,000
Current request for authorization	\$10,426,000	\$150,000	\$10,576,000
Total authorizations, including this request	\$12,376,000	\$200,000	\$12,576,000
Remaining amount to be authorized	\$0	\$0	\$0

***Annual Budget Status and Source of Funds***

This project, CIP C800945, was included in the 2022-2026 capital budget and plan of finance with a budget of \$6,200,000. A budget increase of \$6,176,000 was transferred from the Aeronautical Reserve CIP (C800753) resulting in zero net change to the Aviation capital budget.

Meeting Date: April 12, 2022

The \$200,000 of expense is to cover required tenant equipment relocation and be in the operating budget. The funding source will be the Airport Development Fund (ADF) and future revenue bonds.

***Financial Analysis and Summary***

Project cost for analysis	\$12,376,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base
IRR/NPV (if relevant)	N/A
CPE Impact	\$.03 in 2025

***Future Revenues and Expenses (Total cost of ownership)***

The recommended solution is expected to yield a 10-year cost avoidance of \$9,600,000 to the solid waste program. Avoidance is based on reduced tipping fees and costs to mitigate waste overages. Additional compactor equipment operations and maintenance costs will be \$45,000 annually.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

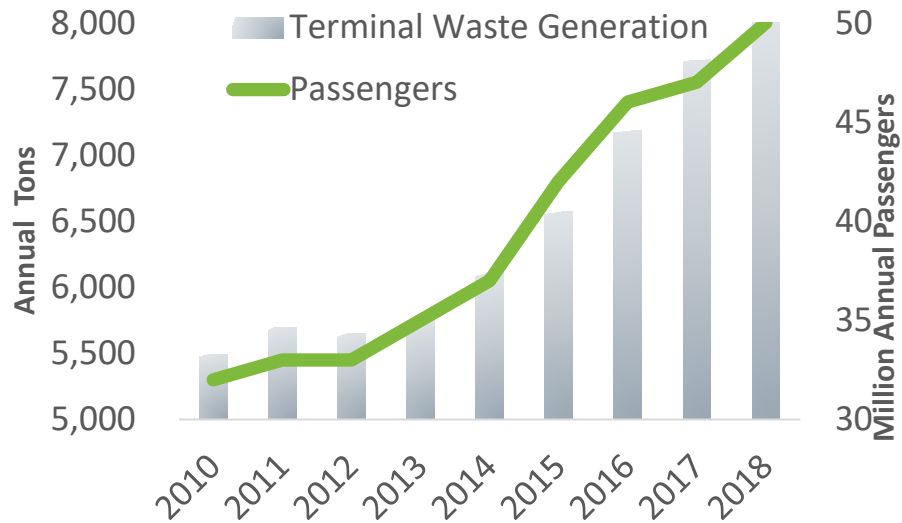
April 14, 2020 – The Commission authorized the Executive Director to advertise and execute a project specific design contract. Staff anticipated a project cost increase.

October 8, 2019 – The Commission authorized the Executive Director to design and prepare construction documents for Terminals Solid Waste Project. At that time the total estimated project cost was \$6,400,000.

# Airport Terminal Solid Waste Project Construction Authorization

Commission Meeting  
April 12, 2022

# Project Purpose



**Project addresses waste from Terminal:**

- Passenger Growth
- Diversion Goals
- Sanitation Concerns
- Capacity Challenges
- Lack of Space
- Need for Wash Stations



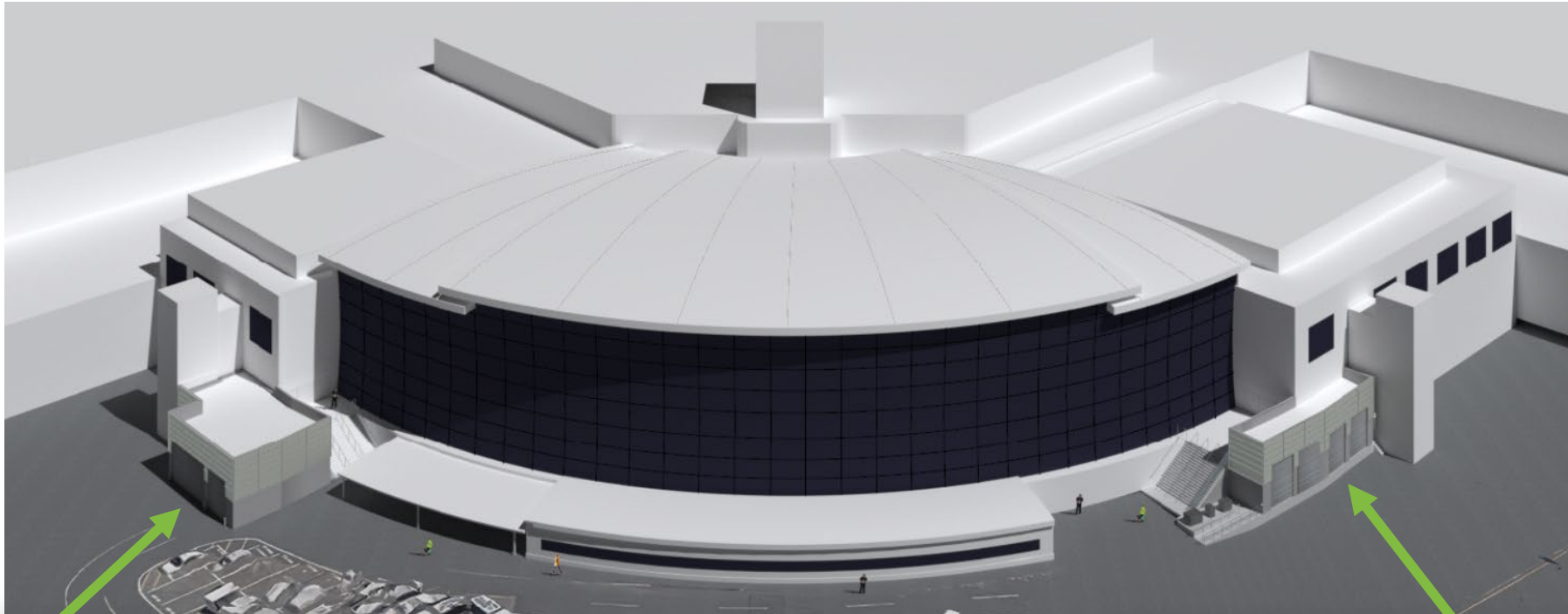


# Project Scope

- Construct 2,400 SQ FT of dedicated refuse collection space at the ramp level of Central Terminal
- Install Sanitation/Cart Washing Stations at the Central Terminal, Concourse D, the South Satellite and Service Tunnel
- Provide modern compactor equipment to new spaces



# Central Terminal Additions





# Project Risks

RISK	DESCRIPTION	PROBABILITY	IMPACT	MITIGATION PLAN
Project Coordination	Project Construction schedule tied to the Baggage Optimization and C1 expansion projects finishing utility and build-out work at the Central Terminal Ramp by fall 2022.	L ●	M ●	Critical reviewers have been identified from surrounding projects to reduce impacts and overlap. Coordination meetings are ongoing.
Cost of Materials	Unanticipated price fluctuation of major equipment and materials.	M ●	M ●	Port authorized to issue 10-year compactor purchase contract to mitigate sudden price fluctuations. Escalation and material pricing updated in latest design estimates.
Complex Construction	Utility work will require removal and replacement of airfield ramp paving. Contractors unsure of all risks in area.	M ●	M ●	During Design extra validation time was allotted for field surveys, potholing and designer onsite visits.
Work affecting Tenant operations	Requires move of Tenant Refrigeration units affecting food/perishable storage.	M ●	L ●	Working with ADR on timing and duration of outages. Project will provide new condenser units and pressure test the new assembly prior to cut over. Alternative storage will be provided.

# Primary Added Cost Drivers

	Additional Cost
Escalation / Material Costs	\$1,350,000
Utility Changes/Upgrades	\$1,250,000
Foundation Reinforcement	\$1,000,000
Code Change (IBC 2018 Structural)	\$750,000
Building Height for Bay Doors	\$675,000
Cart Wash Stations (regulatory)	\$625,000
Other Misc.	\$517,000
Budget Increase	\$6,167,000

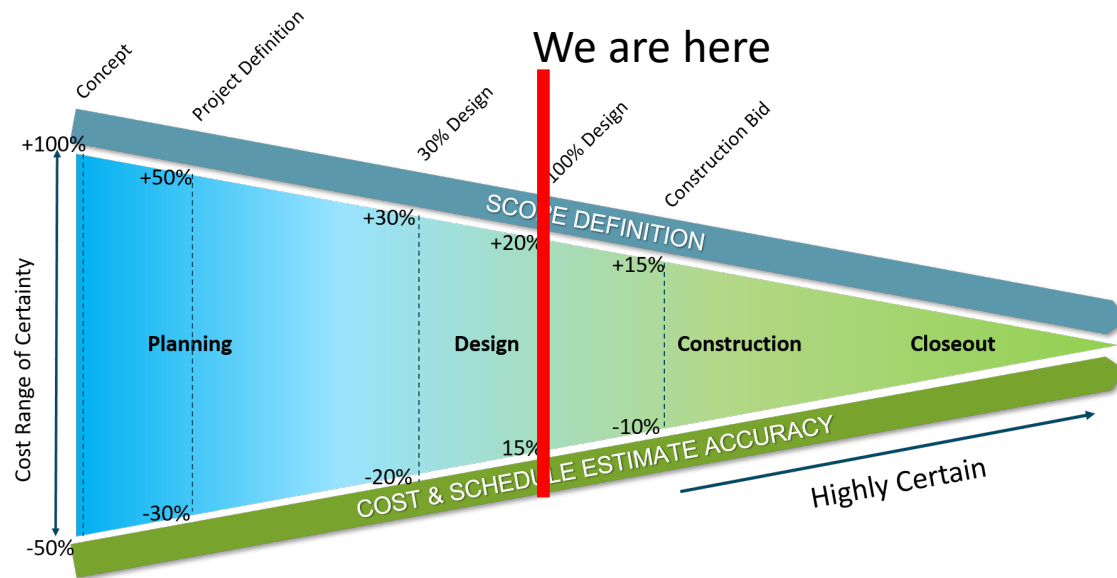
# Project Cost and Schedule

## Cost Breakdown

## This Request

## Total Project

Design	\$0	\$2,000,000
Construction	\$10,576,000	\$10,576,000
Total	\$10,576,000	\$12,576,000



## Schedule

Construction Start: Q1 2023

Project in Use: Q4 2023

# Action Requested

- (1) Increase the project budget for the Airport Terminal Solid Waste project in the amount of \$6,176,000;
- (2) Advertise and award a major public works contract for the Airport's Terminal Solid Waste Project; and
- (3) Use Port crews for construction support.

Total request for this action is \$10,576,000 for a project total authorization of \$12,576,000.

[RETURN TO AGENDA](#)

**ORDER NO. 2022-05**  
**AN ORDER OF THE PORT OF SEATTLE COMMISSION**

To increase the three-year investment in the Maritime Career  
Launch Pilot Program from \$2.1 million to \$4.1 million.

**PROPOSED**  
**APRIL 12, 2022**

**INTRODUCTION**

In 2021, the Port of Seattle Commission engaged community stakeholders in a series of 13 listening sessions related to the Port's role in economic recovery from the effects of the COVID-19 pandemic. During these listening sessions, Commissioners repeatedly heard about the need for additional workforce development efforts, increased visibility of Port industry-related jobs in communities of color, and expanded access to quality, living-wage jobs for Black, Indigenous, and people of color (BIPOC) communities across King County.

One of the ways the Port has responded to this community call to action is to double down on increasing access to maritime career programs and opportunities. The Commission approved three critical programs for 2022:

- Career Launch Program
- Maritime High School
- Maritime Industry Leadership Table

This programming was matched with \$2.4 million in funding and will support the framework for a comprehensive and connected regional strategy for the future of maritime employment in King County and beyond. This additional investment was identified from cruise revenue that is anticipated to exceed 2022 budget projections.

**TEXT OF THE ORDER**

The Port Commission directs the Executive Director to increase the three-year investment in the Maritime Career Launch Pilot Program from \$2.1 million to \$4.1 million. The \$2 million increase in funding will support maritime-focused career launch opportunities and programming.

The Executive Director shall report to the Commission by no later than June 14, 2022, with a draft strategy that identifies collaborations with partner institutions and the resources necessary to connect youth in the Port Maritime Career Launch Pilot Program to maritime-focused

apprenticeships, post-secondary institutions with paid work-based learning, or secondary career or technical education requirements and other options.

## **STATEMENT IN SUPPORT OF THE ORDER**

### **Maritime Career Launch Program**

The centerpiece of the Port's youth workforce efforts will be the Maritime Career Launch Program. The Commission's investment currently totals \$2.1 million over three years. The \$2 million funding increase proposed in this Order will bolster a program that will provide career launch opportunities in the maritime industry for Puget Sound youth and adults aged 16-24 years. This program will focus on youth from historically disadvantaged (and disproportionately BIPOC) communities and vulnerable populations. This new program will:

1. Build partnerships between maritime industry employers with career-connected learning programs;
2. Work collaboratively with regional partners, including government agencies, industry partners and community-based organizations to co-create career connected curriculum based on Port core competencies;
3. In collaboration with industry and workforce partners, identify core competencies and related skills necessary to place interns in entry-level maritime jobs;
4. Leverage the Port funding by partnering, where feasible, with regional stakeholders;
5. Provide training programs for youth to learn those core competencies and skills; and
6. Upon completion of the program, place qualified candidates in a three-month Career Launch internship in an entry-level, living wage position that can lead to consideration for full-time employment by a maritime employer.

From shipbuilding to commercial fishing, to cruise, to logistics and shipping, nearly 70,000 Washingtonians work in the maritime industry. While women and nonbinary workers have been part of the maritime industry for generations, their demographic representation is disproportionately small when compared to men. This lack of representation is particularly concerning in the context of the national maritime labor crisis, where the average age in the maritime workforce is 55. The Port will continue to leverage its position as an anchor institution to expand access to maritime and aviation careers for underrepresented populations.

This impending wave of retirements in the maritime workforce presents a unique opportunity to ensure the next generation of workers in the maritime industry is truly representative of the diversity of King County. The time is ripe to double down on the Port's investment in young women and youth of color.

This order will allocate \$2 million additional focused on maritime programs and opportunities to increase the Port's investment in the Maritime Career Launch Pilot Program (CLP) from \$2.1 million to \$4.1 million over three years.

These additional resources will allow the Port to double the number of young people engaged in this program, and allow the program to more rapidly achieve its goals while strengthening the region's maritime career pipeline.

92 This Maritime Career Launch Pilot Program will also be conducted as part of the evolving strategic  
93 plan for OEDI that will include research to better understand the current and future workforce  
94 needs across the maritime industry in our region. Program development will include means to  
95 measure and monitor outcomes in ways that help provide transparency while also respecting that  
96 breaking barriers can mean transformative approaches to how data is collected and analyzed as  
97 well.

**RETURN TO AGENDA**

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 10b

**ACTION ITEM**

**Date of Meeting** April 12, 2022

**DATE:** March 25, 2022

**TO:** Stephen Metruck, Executive Director

**FROM:** Elizabeth Morrison, Director, Corporate Finance  
Scott Bertram, Manager Corporate Financial Analysis

**SUBJECT: Resolution No. 3801 – Issuance and Sale of Intermediate Lien Revenue and Refunding Bonds in the Aggregate Principal Amount of Not-to-Exceed \$1,000,000,000.**

**ACTION REQUESTED**

Request introduction of Resolution No. 3801: A Resolution of the Commission of the Port of Seattle authorizing the issuance and sale of Intermediate Lien revenue and refunding bonds in one or more series in the aggregate principal amount of not to exceed \$1,000,000,000, for the purposes of financing capital improvements to aviation facilities and refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; and delegating authority to approve final terms and conditions and the sale of the bonds.

**EXECUTIVE SUMMARY**

Commission authorization is requested to issue Intermediate Lien revenue and refunding bonds (the “Bonds”) in an amount estimated not to exceed \$1,000,000,000 (including a reserve fund deposit, capitalized interest, and cost of issuance) to fund the costs of capital improvements at the Airport (Exhibit A) and to refund up to \$309,945,000 of outstanding Intermediate Lien revenue bonds, Series 2012A & B (the “2012 Bonds”) and \$99,785,000 of outstanding Intermediate Lien revenue bonds, Series 2013 (the “2013 Bonds”), for debt service savings.

**JUSTIFICATION**

As part of the Port’s debt management program, the Port monitors opportunities to reduce debt service. Current low interest rates and anticipation of rising interest rates provide a favorable refunding opportunity. The 2012 Bonds funded or refunded Airport capital improvements and are callable on August 1, 2022, and the current estimated present value savings of refunding the 2012 Bonds is approximately \$25 million.

The 2013 Bonds refunded prior bonds for Airport capital improvements and are not callable until 2023. If the Port refunds these 2013 Bonds now, the refunding would be done on a federally taxable basis because. Generally, the Port waits until bonds are currently callable in order to execute a refunding on a tax-exempt basis, but market conditions may make it advantageous to



Meeting Date: April 12, 2022

lock-in interest rates and savings this year. The estimated present value savings of refunding the 2013 Bonds on a taxable basis is approximately \$4 million. Staff will continue to monitor the market and include the refunding of the 2013 Bonds if deemed advantageous. If the 2013 Bonds are not refunded with this transaction, they may be refunded in the future.

In addition, the Bonds will include funding for an approximately \$560 million in Airport project costs within the Airport capital improvement plan. As described in the 2022-2026 Draft Plan of Finance, cash, grants, passenger facility charges and existing and future bond proceeds will also provide funding. Some of the major projects to be funded, in part, with this bond issuance include Baggage Optimization, C1 Expansion, Concourse A Expansion and North Main Terminal Redevelopment along with various other Airport improvements; a list of projects currently identified for 2021 Bond funding is provided in Exhibit A. If project spending is delayed or if other funding sources are available, e.g., Infrastructure Investment and Jobs Act grants, Bond proceeds may be redirected to other projects within the limits established by the federal tax code; use of any bond proceeds is identified in project authorization requests and no bond proceeds can actually be spent on any projects without the appropriate project authorization.

The total Bond amount will also include proceeds sufficient to pay cost of issuance, fund the required debt service reserve and pay a portion of the interest on the Bonds during construction (capitalized interest) as appropriate.

### **DETAILS**

The Bonds are being issued pursuant to the Intermediate Lien Master Resolution No. 3540 and this Resolution No. 3801. The Bonds will be issued in multiple series based on the tax status of the projects to be funded or the 2012 Bonds or 2013 Bonds refunded. Three series are anticipated.

- One series will be issued as governmental bonds exempt from all federal income tax (non-AMT) and used to refund a portion of the 2012A bonds; it also may fund costs of projects eligible for governmental bond funding.
- A second series will be issued as private activity bonds exempt from regular income tax but subject to the Alternative Minimum Tax (AMT). This is the most common type of tax-exempt bond that the Port issues because it allows the Port to lease facilities to airport and seaport tenants. This series will be used to refund the 2012B bonds and to provide funding for airport investments.
- The third series of bonds will be issued as taxable debt and Investors will be subject to federal income tax. This series will be used to refund a portion of the 2012A bonds and the 2013 Bonds, if refunded) [I thought it was the 2013 Bonds? – see above] and to fund new investments that are not eligible for tax-exempt bond funding or would otherwise benefit from greater flexibility of not needing to comply with tax-exempt bond restrictions.

Meeting Date: April 12, 2022

The table below summarizes the refunding candidates.

Refunding Candidates	Total Principal (\$)
Intermediate Lien Revenue Bonds, Series 2012A	274,200,000
Intermediate Lien Revenue Bonds, Series 2012B	35,745,000
Intermediate Lien Revenue Bonds, Series 2013 (1)	<u>99,785,000</u>
<b>TOTAL</b>	409,730,000
<b>(1) Potential candidate</b>	

Resolution No. 3801 is similar in all material respects to other Intermediate Lien Series Resolutions and provides for a contribution to the common debt service reserve fund that provides security for all Intermediate Lien bonds.

The Resolution delegates to the Port's Executive Director the authority to approve interest rates, maturity dates, redemption rights, interest payment dates, and principal maturities for the Bonds (these are generally set at the time of pricing and dictated by market conditions at that time). Commission parameters that limit the delegation are a maximum bond size, maximum interest rate and expiration date for the delegated authority. If the Bonds cannot be sold within these parameters, further Commission action would be required. The recommended delegation parameters are:

Maximum size: \$1,000,000,000  
Maximum interest rate: 4.5%  
Expiration of Delegation of Authority: December 31, 2022

Upon adoption, Resolution No. 3801 will authorize the Designated Port Representative (the Executive Director or the Chief Financial Officer) to approve the Bond Purchase Contract, the official statement, escrow agreement, if any, pay the cost of issuance and take other action appropriate for the prompt execution and delivery of the Bonds. The Bonds will be sold through negotiated sale to Citigroup Global Markets, Inc.; Academy Securities, Inc. <sup>(1)</sup>, Backstrom McCarley Berry & Co., LLC <sup>(2)</sup>, BofA Merrill Lynch; Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC; Morgan Stanley and Co. LLC.. Piper Sandler & Co. is serving as Financial Advisor, K&L Gates LLP is serving as bond counsel and Pacifica Law Group is serving as disclosure counsel on the transaction.

**COMMISSION AGENDA – Action Item No. 10b**

Page 4 of 5

Meeting Date: April 12, 2022

- (1) Disabled veteran owned firm
- (2) Minority owned firm

**ATTACHMENTS TO THIS REQUEST**

- (1) Draft Resolution No. 3801
- (2) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

October 26, 2021 – The Commission was briefed on the Draft Plan of Finance

Meeting Date: April 12, 2022

**EXHIBIT A**

Checked Bag Optimization  
North Main Terminal Redevelopment  
Concourse C Building Floor Expansion  
Concourse A Expansion  
2021-25 Airfield Pavement  
Upgrades Satellite Train System (STS) Control  
Main Terminal and Concourse Low Voltage Sys Upgrade  
Post IAF Airline Realignment  
Airfield Sanitary Sewer Improv  
Restroom Upgrades Concourses B, C, D  
Checkpoint 1 Relocation and equipment  
South 188th Tunnel Lighting  
N. Terminals Utilities Upgrade  
Airfield Snow Equipment  
Snow Storage Improvements  
Terminal Security Enhancements  
North Employee Parking Lot Improvements  
Telecommunication Meet Me Room  
Arrivals Roadway widening  
Apartment Sound Insulation  
Parking Revenue Infrastructure  
Parking Garage Elevators Modernization  
Perimeter Intrusion Detect Sys  
Port Shared-Lounge Concourse A

INTERMEDIATE LIEN  
SERIES RESOLUTION

PORT OF SEATTLE

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RESOLUTION NO. 3801

A RESOLUTION of the Port of Seattle Commission authorizing the issuance and sale of intermediate lien revenue and refunding bonds in one or more series in the aggregate principal amount of not to exceed \$1,000,000,000, for the purpose of financing or refinancing capital improvements to aviation facilities and for the purpose of refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; and delegating authority to approve final terms and conditions and the sale of the bonds.

ADOPTED: \_\_\_\_\_, 2022

Prepared by:

K&L GATES LLP

**PORT OF SEATTLE**  
**Resolution No. 3801**  
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\* This Table of Contents and the cover page are for convenience of reference and are not intended to be a part of this series resolution.

PORT OF SEATTLE  
RESOLUTION NO. 3801

A RESOLUTION of the Port of Seattle Commission authorizing the issuance and sale of intermediate lien revenue and refunding bonds in one or more series in the aggregate principal amount of not to exceed \$1,000,000,000, for the purpose of financing or refinancing capital improvements to aviation facilities and for the purpose of refunding certain outstanding revenue bonds of the Port; setting forth certain bond terms and covenants; and delegating authority to approve final terms and conditions and the sale of the bonds.

WHEREAS, the Port of Seattle (the “Port”), a municipal corporation of the State of Washington, owns and operates a system of marine terminals and properties and Seattle-Tacoma International Airport; and

WHEREAS, the Port is authorized by RCW ch. 53.40 and ch. 39.46 to issue revenue bonds; and

WHEREAS, the Port has authorized the issuance of revenue bonds in one or more series pursuant to Resolution No. 3059, as amended, of the Commission, adopted on February 2, 1990, as amended and restated by Resolution No. 3577 of the Commission adopted on February 27, 2007 (collectively, the “First Lien Master Resolution”), each series being payable from the Net Revenues (as such term is defined in the First Lien Master Resolution); and

WHEREAS, the Port currently has outstanding four series of first lien revenue bonds pursuant to the First Lien Master Resolution, as follows:

Authorizing Resolution Number	Date of Original Issue	Series	Original Principal Amount	Principal Amount Outstanding (Projected as of 07/02/2022)	Final Maturity Date
3619	07/16/2009	(B-2)	\$ 22,000,326 <sup>(1)</sup>	\$ 56,443,323 <sup>(1)</sup>	05/01/2031
3721	08/02/2016	(B)	124,380,000	108,605,000	10/01/2032
3721	08/02/2016	(C)	6,180,000	5,075,000	10/01/2032
3787	06/30/2021		43,015,000	43,015,000	09/01/2026

<sup>(1)</sup> Series 2009B-2 Bonds are capital appreciation bonds; total principal amount outstanding includes accreted interest of \$34,442,997 through July 2, 2022.

(the “Outstanding First Lien Parity Bonds”); and

WHEREAS, the Port has authorized the issuance of intermediate lien revenue bonds having a lien on Net Revenues subordinate to the lien thereon of the Outstanding First Lien Parity Bonds in one or more series pursuant to Resolution No. 3540, as amended, adopted on June 14, 2005 (the “Intermediate Lien Master Resolution”); and

WHEREAS, the Port currently has outstanding eighteen series of intermediate lien revenue bonds pursuant to the Intermediate Lien Master Resolution, as follows:

Authorizing Resolution Number	Date of Original Issue	Series	Original Principal Amount	Principal Amount Outstanding (Projected as of 07/02/2022)	Final Maturity Date
3658	03/14/2012	(A)	\$ 342,555,000	\$ 288,705,000 <sup>(1)</sup>	08/01/2033
3658	03/14/2012	(B)	189,315,000	52,375,000 <sup>(1)</sup>	08/01/2024
3684	12/17/2013		139,105,000	113,805,000 <sup>(1)</sup>	07/01/2029
3709	08/06/2015	(A)	72,010,000	62,260,000	04/01/2040
3709	08/06/2015	(B)	284,440,000	146,350,000	03/01/2035
3709	08/06/2015	(C)	226,275,000	190,970,000	04/01/2040
3722	08/02/2016		99,095,000	99,095,000	02/01/2030
3735	08/22/2017	(A)	16,705,000	16,705,000	05/01/2028
3735	08/22/2017	(B)	264,925,000	200,920,000	05/01/2036
3735	08/22/2017	(C)	313,305,000	288,855,000	05/01/2042
3735	08/22/2017	(D)	93,230,000	55,385,000	05/01/2027
3749	06/21/2018	(A)	470,495,000	443,735,000	05/01/2043
3749	06/21/2018	(B)	85,145,000	59,975,000	05/01/2028
3758	08/07/2019		457,390,000	441,995,000	04/01/2044
3786	06/30/2021	(A)	47,025,000	36,295,000	12/01/2030
3786	06/30/2021	(B)	148,765,000	143,910,000	06/01/2040
3786	06/30/2021	(C)	514,390,000	514,390,000	08/01/2046
3786	06/30/2021	(D)	41,395,000	41,395,000	08/01/2031

<sup>(1)</sup> All or part of the Series 2012A, Series 2012B Bonds and Series 2013 Bonds may be refunded pursuant to this resolution.

(the “Outstanding Intermediate Lien Parity Bonds”); and

WHEREAS, the First Lien Master Resolution and the Intermediate Lien Master Resolution permit the Port to issue its revenue bonds having a lien on Net Revenues and Available Intermediate Lien Revenues (as such terms are defined in the Intermediate Lien



Master Resolution) subordinate to the lien thereon of the Outstanding Intermediate Lien Parity Bonds; and

WHEREAS, the Port currently has outstanding two series of subordinate lien revenue bonds, as follows:

Authorizing Resolution Number	Date of Original Issue	Original Principal Amount	Principal Amount Outstanding (Projected as of 07/02/2022)	Final Maturity Date
3777	(CP)	\$ 400,000,000	\$ 10,010,000	06/01/2051
3598	06/17/2008	200,715,000	158,300,000	07/01/2033

(the “Outstanding Subordinate Lien Bonds”); and

WHEREAS, the Port has certain Outstanding Intermediate Lien Parity Bonds described on Exhibit A attached hereto (the “Refunding Candidates”) that may be defeased and/or refunded, thereby saving on debt service, through the issuance of the Series 2022 Bonds (as hereinafter defined); and

WHEREAS, the Port wishes to finance or refinance certain capital improvements to aviation facilities (hereinafter defined as the “Projects”) through the issuance of the Series 2022 Bonds; and

WHEREAS, the Intermediate Lien Master Resolution permits the Port to issue its revenue bonds having a lien on Available Intermediate Lien Revenues (as such term is defined in the Intermediate Lien Master Resolution) on a parity with the lien thereon of the Outstanding Intermediate Lien Parity Bonds upon compliance with certain conditions; and

WHEREAS, the Port has determined that such conditions will be met; and

WHEREAS, pursuant to RCW 53.40.030, the Commission may delegate authority to the Executive Director of the Port to approve the designation of the bonds to be defeased and/or

refunded, the interest rates, maturity dates, redemption rights, interest payment dates, and principal maturities under such terms and conditions as are approved by resolution; and

WHEREAS, the Port has provided notice of and held a public hearing on the issuance of certain Series 2022 Bonds as required by Section 147(f) of the Internal Revenue Code, as amended; and

WHEREAS, it is deemed necessary and desirable that the Series 2022 Bonds be sold pursuant to one or more negotiated sale(s) as herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE PORT COMMISSION OF THE PORT OF SEATTLE, as follows:

Section 1.     Definitions. Unless otherwise defined herein, the terms used in this series resolution, including the preamble hereto, that are defined in the Intermediate Lien Master Resolution shall have the meanings set forth in the Intermediate Lien Master Resolution. In addition, the following terms shall have the following meanings in this series resolution:

***Acquired Obligations*** mean the noncallable Government Obligations acquired by the Port pursuant to Section 8(c) of this series resolution and the Escrow Agreement, if any, to effect the defeasance and refunding of all or a portion of the Refunded Bonds.

***Beneficial Owner*** means any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2022 Bonds (including persons holding Series 2022 Bonds through nominees, depositories or other intermediaries).

***Bond Counsel*** means a firm of lawyers nationally recognized and accepted as bond counsel and so employed by the Port for any purpose under this series resolution applicable to the use of that term.

***Bond Insurance Commitment*** means the commitment(s) of the Bond Insurer, if any, to insure one or more series, or certain principal maturities thereof, all or a portion of the Series 2022 Bonds.

***Bond Insurance Policy*** means the policy(ies) of municipal bond insurance, if any, delivered by the Bond Insurer at the time of issuance and delivery of Series 2022 Bonds to be insured pursuant to the Bond Insurance Commitment.

***Bond Insurer*** means the municipal bond insurer(s), if any, that has committed to insure one or more series, or certain principal maturities thereof, of the Series 2022 Bonds, pursuant to the Bond Insurance Commitment.

***Bond Purchase Contract*** means each of the Bond Purchase Contract(s) for the Series 2022 Bonds of one or more series, providing for the purchase of the Series 2022 Bonds of such series by the Underwriters and setting forth certain terms authorized to be approved by the Designated Port Representative as provided in Section 7 of this series resolution.

***Bond Register*** means the registration books maintained by the Registrar containing the name and mailing address of the owner of each Series 2022 Bond or nominee of such owner and the principal amount and number of Series 2022 Bonds held by each owner or nominee.

***Code*** means the Internal Revenue Code of 1986, as amended, and all applicable regulations and rulings relating thereto.

***Continuing Disclosure Undertaking*** means each undertaking for ongoing disclosure executed by the Port pursuant to Section 15 of this series resolution.

***Costs of Issuance Agreement*** means the agreement of that name, if any, to be entered into by the Port and the Escrow Agent, providing for the payment of certain costs of issuance with respect to the issuance of the Series 2022 Bonds.

***Designated Port Representative***, for purposes of this series resolution, means the Executive Director of the Port or the Chief Financial Officer of the Port (or the successor in function to such person(s)) or such other person as may be directed by resolution of the Commission.

***DTC*** means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Series 2022 Bonds pursuant to Section 5 of this series resolution.

***Escrow Agent*** means U.S. Bank Trust Company, National Association or such other Escrow Agent for the Refunded Bonds appointed by the Designated Port Representative pursuant to this series resolution if the Designated Port Representative determines that an escrow will be necessary or required to carry out the plan of refunding.

***Escrow Agreement*** means the Escrow Deposit Agreement, if any, dated as of the date of the closing and delivery of the Refunding Bonds between the Port and the Escrow Agent to be executed in connection with the defeasance and/or refunding of some or all of the Refunded Bonds.

***Executive Director*** means the Executive Director of the Port, or any successor to the functions of his/her office.

***Federal Tax Certificate*** means the certificate(s) of that name executed and delivered by the Designated Port Representative at the time of issuance and delivery of the Series 2022 Bonds issued on a federally tax-exempt basis.

***First Lien Master Resolution*** means Resolution No. 3059, as amended, of the Commission adopted on February 2, 1990, as amended and restated by Resolution No. 3577 of the Commission adopted on February 27, 2007.

***Government Obligations*** has the meaning given to such term in RCW Chapter 39.53, as amended from time to time.

***Intermediate Lien Master Resolution*** means Resolution No. 3540, as amended, of the Commission adopted on June 14, 2005.

***Letter of Representations*** means the blanket issuer letter of representations from the Port to DTC, dated August 28, 1995.

***MSRB*** means the Municipal Securities Rulemaking Board or any successors to its functions. Until otherwise designated by the MSRB or the United States Securities and Exchange Commission, any information, reports or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system, currently located at [www.emma.msrb.org](http://www.emma.msrb.org).

***Outstanding Intermediate Lien Parity Bonds*** mean the Port's outstanding intermediate lien revenue bonds identified in the recitals to this series resolution.

***Outstanding Subordinate Lien Bonds*** mean the Port's outstanding subordinate lien revenue bonds identified in the recitals to this series resolution.

***Project Bonds*** mean the Series 2022 Bonds issued for the purpose of funding all or part of the Projects, capitalizing interest, funding the Series 2022 Reserve Account Deposit and paying all or a portion of allocable costs of issuance.

***Projects*** mean the capital projects listed in Exhibit B hereto.

***Record Date*** means the close of business on the 15th day prior to each day on which a payment of interest on the Series 2022 Bonds is due and payable.

***Refunded Bonds*** mean the Refunding Candidates that are designated by the Executive Director pursuant to authority delegated by Section 2 and Section 7 of this series resolution.

***Refunding Bonds*** means the Series 2022 Bonds issued for the purpose of defeasing and/or refunding the Refunded Bonds.

***Refunding Candidates*** mean the outstanding revenue bonds of the Port as described on Exhibit A.

***Registered Owner*** means the person named as the registered owner of a Series 2022 Bond in the Bond Register.

***Registrar*** means the fiscal agent of the State of Washington, appointed by the Designated Port Representative for the purposes of registering and authenticating the Series 2022 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2022 Bonds. The term ***Registrar*** shall include any successor to the fiscal agent, if any, hereinafter appointed by the Designated Port Representative.

***Rule*** means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended from time to time.

***Series 2022 Bonds*** mean the Port of Seattle Intermediate Lien Revenue and Refunding Bonds, Series 2022, or with such other appropriate description and series designations as provided for by the Designated Port Representative, authorized to be issued by Section 2 of this series resolution.

***Series 2022 Reserve Account Deposit*** means the amount, if any, that is required to be added to the reserve account balances in the Intermediate Lien Reserve Account to satisfy the Intermediate Lien Reserve Requirement and that is identified in a closing certificate or certificates of the Port.

***Subordinate Lien Bond Resolutions*** mean, collectively, Resolution No. 3238, as amended; Resolution No. 3456, as amended, as further amended by Resolution No. 3777; and Resolution No. 3598, as amended.

***Surety Bond*** means the surety bond(s), if any, issued by the Surety Bond Issuer on the date of issuance of the Series 2022 Bonds for the purpose of satisfying the Series 2022 Reserve Account Deposit. There may be more than one Surety Bond.

***Surety Bond Agreement*** means any Agreement(s) between the Port and the Surety Bond Issuer with respect to the Surety Bond(s).

***Surety Bond Issuer*** means any issuer(s) of the Surety Bond(s).

***Underwriters*** mean, collectively, Citigroup Global Markets Inc., BofA Securities, Inc.; Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC; Morgan Stanley & Co. LLC; Academy Securities, Inc.; and Backstrom McCarley Berry & Co., LLC.

**Rules of Interpretation.** In this series resolution, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this series resolution, refer to this series resolution as a whole and not to any particular article, section, subdivision or clause hereof, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before the date of this series resolution;

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons;

(d) Any headings preceding the text of the several articles and sections of this series resolution, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this series resolution, nor shall they affect its meaning, construction or effect;

(e) All references herein to “articles,” “sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and

(f) Except as explicitly provided herein, whenever any consent or direction is required to be given by the Port, such consent or direction shall be deemed given when given by the Designated Port Representative.

Section 2. Plan of Finance; Authorization of Series 2022 Bonds.

(a) *Plan of Finance.* The Port intends to undertake improvements to its airport facilities at the locations described on Exhibit B (the “Projects”) attached hereto and incorporated by this reference herein. A portion of the costs of the Projects are expected to be paid, refinanced or reimbursed with the proceeds of the Project Bonds.

The Refunding Candidates may be defeased or are callable in whole or in part prior to their scheduled maturities and may be selected for defeasance and/or refunding depending on market conditions. The final selection of the Refunding Candidates to be designated as Refunded Bonds and to be defeased and/or refunded by the Refunding Bonds shall be made by the Executive Director pursuant to the authority granted in Section 7 of this series resolution.

(b) *Authorization of Series 2022 Bonds.* The Port shall issue bonds in one or more series (the “Series 2022 Bonds”) consisting of the Project Bonds and the Refunding Bonds, if any. The proceeds of the Project Bonds shall be used for the purpose of providing part of the funds necessary to (i) pay or to reimburse the Port for all or a portion of the costs of the Projects; (ii) at the option of the Designated Port Representative, capitalize interest on all or a portion of the Series 2022 Bonds; (iii) make a Series 2022 Reserve Account Deposit or purchase a Surety Bond therefor, if required; and (iv) pay all or a portion of the costs incidental to the foregoing and to the issuance of the Project Bonds. The proceeds of the Refunding Bonds, if any, shall be used for the purpose of providing the funds necessary to (i) defease and/or refund the Refunded



Bonds; and (ii) pay all or a portion of the costs incidental to the foregoing and to the issuance of the Refunding Bonds.

(c) *Maximum Principal Amount.* The aggregate principal amount of the Series 2022 Bonds to be issued under this series resolution shall not exceed \$1,000,000,000. The aggregate principal amount of the Project Bonds and the aggregate principal amount of Refunding Bonds shall be determined by the Executive Director, pursuant to the authority granted in Section 7 of this series resolution.

Section 3. Series 2022 Bond Details.

(a) *Series 2022 Bonds.* The Series 2022 Bonds shall be issued in one or more series, shall be designated as “Port of Seattle Intermediate Lien Revenue and Refunding Bonds, Series 2022,” with such description and additional designations for each series for identification purposes as may be approved by the Designated Port Representative, shall be registered as to both principal and interest, shall be issued in the aggregate principal amount set forth in the Bond Purchase Contract, shall be numbered separately in the manner and with any additional designation as the Registrar deems necessary for purposes of identification, shall be dated their date of delivery to the Underwriters, and shall be in the denomination of \$5,000 each or any integral multiple of \$5,000 within a series and maturity. The Series 2022 Bonds of each series shall bear interest from their date of delivery to the Underwriters until the Series 2022 Bonds bearing such interest have been paid or their payment duly provided for, at the rates, payable on the dates, set forth in the Bond Purchase Contract for each series and shall mature on the dates and in the years and in the principal amounts set forth in the Bond Purchase Contract, all as approved by the Executive Director pursuant to Section 7 of this series resolution.

(b) *Limited Obligations.* The Series 2022 Bonds shall be obligations only of the Intermediate Lien Bond Fund and the Intermediate Lien Reserve Account created under the

Intermediate Lien Master Resolution and shall be payable and secured as provided in the Intermediate Lien Master Resolution and this series resolution. The Series 2022 Bonds do not constitute an indebtedness of the Port within the meaning of the constitutional provisions and limitations of the State of Washington.

Section 4.      Redemption and Purchase.

(a)      *Optional Redemption.* The Series 2022 Bonds of one or more series and maturities may be subject to optional redemption on the dates, at the prices and under the terms relating to such series set forth in the Bond Purchase Contract, all as approved by the Executive Director pursuant to Section 7 of this series resolution.

(b)      *Mandatory Redemption.* The Series 2022 Bonds of one or more series and maturities may be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract relating to such series, all as approved by the Executive Director pursuant to Section 7 of this series resolution.

(c)      *Purchase of Series 2022 Bonds for Retirement.* The Port reserves the right to use at any time any surplus Gross Revenue available after providing for the payments required by paragraphs First through Fifth of Section 2(a) of the First Lien Master Resolution, including the payments required by paragraphs First through Eleventh of the priority for use of Gross Revenue set forth in the Intermediate Lien Master Resolution, to purchase for retirement any of the Series 2022 Bonds offered to the Port at any price deemed reasonable to the Designated Port Representative.

(d)      *Selection of Series 2022 Bonds for Redemption.* If Series 2022 Bonds are called for optional redemption, the series, maturities, and interest rates of such Series 2022 Bonds to be redeemed shall be selected by the Port. If any Series 2022 Bonds to be redeemed (optional or mandatory) then are held in book-entry-only form, the selection of such Series 2022 Bonds

within a series, maturity, and interest rate to be redeemed within a maturity and interest rate shall be made in accordance with the operational arrangements then in effect at DTC (or at a substitute depository, if applicable). If the Series 2022 Bonds to be redeemed are no longer held in book-entry-only form, the selection of such Series 2022 Bonds to be redeemed shall be made in the following manner. If the Port redeems at any one time fewer than all of the Series 2022 Bonds having the same maturity date and interest rate within a series, the particular Series 2022 Bonds or portions of Series 2022 Bonds to be redeemed within the series, maturity, and interest rate shall be selected by lot (or in such other random manner determined by the Registrar) in increments of \$5,000. In the case of a Series 2022 Bond within a series, maturity, and interest rate of a denomination greater than \$5,000, the Port and Registrar shall treat each Series 2022 Bond of the applicable series, maturity and interest rate as representing such number of separate Series 2022 Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Series 2022 Bonds of the applicable series, maturity, and interest rate by \$5,000. In the event that only a portion of the principal amount of a Series 2022 Bond is redeemed, upon surrender of such Series 2022 Bond at the principal office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then-unredeemed balance of the principal amount thereof a Series 2022 Bond or, at the option of the Registered Owner, a Series 2022 Bond of like series, maturity, and interest rate in any of the denominations herein authorized. *Provided however*, that the manner of selection of Series 2022 Bonds issued on a federally taxable basis for redemption may be set forth in the Bond Purchase Contract relating to such series and as approved by the Designated Port Representative.

(e) *Notice of Redemption.* Written notice of any redemption of Series 2022 Bonds prior to maturity shall be given by the Registrar on behalf of the Port by first class mail, postage prepaid, not less than 20 days nor more than 60 days before the date fixed for redemption to the

Registered Owners of Series 2022 Bonds that are to be redeemed at their last addresses shown on the Bond Register. This requirement shall be deemed complied with when notice is mailed to the Registered Owners at their last addresses shown on the Bond Register, whether or not such notice is actually received by the Registered Owners.

So long as the Series 2022 Bonds are in book-entry only form, notice of redemption shall be given to Beneficial Owners of Series 2022 Bonds to be redeemed in accordance with the operational arrangements then in effect at DTC (or its successor or alternate depository), and neither the Port nor the Registrar shall be obligated or responsible to confirm that any notice of redemption is, in fact, provided to Beneficial Owners.

Each notice of redemption (which notice in the case of optional redemption may be conditional and/or may be rescinded at the option of the Port) prepared and given by the Registrar to Registered Owners of Series 2022 Bonds shall contain the following information: (1) the date fixed for redemption, (2) the redemption price, (3) if fewer than all outstanding Series 2022 Bonds of a series are to be redeemed, the identification by series, maturity, and interest rate (and, in the case of partial redemption, the principal amounts) of the Series 2022 Bonds to be redeemed, (4) whether, in the case of optional redemption, the notice of redemption is conditional and, if conditional, the conditions to redemption, (5) that (unless the conditions, if any, to redemption have not been satisfied or unless the notice of redemption shall have been rescinded) such Series 2022 Bonds will become due and payable and interest shall cease to accrue from the date fixed for redemption if and to the extent in each case funds have been provided to the Registrar for the redemption of such Series 2022 Bonds on the date fixed for redemption the redemption price will become due and payable upon each Series 2022 Bond or portion called for redemption, and that (unless the conditions, if any, to redemption have not been satisfied or unless the notice of redemption shall have been rescinded) interest shall cease to

accrue from the date fixed for redemption if and to the extent that funds have been provided to the Registrar for the redemption of such Series 2022 Bonds, (6) that the Series 2022 Bonds are to be surrendered for payment at the principal office of the Registrar, (7) the CUSIP numbers of all Series 2022 Bonds being redeemed, (8) the dated date of the Series 2022 Bonds being redeemed, (9) the rate of interest for each Series 2022 Bond being redeemed, (10) the date of the notice, and (11) any other information deemed necessary by the Registrar to identify the Series 2022 Bonds being redeemed.

Upon the payment of the redemption price of Series 2022 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue, series and maturity, the Series 2022 Bonds being redeemed with the proceeds of such check or other transfer, or in the case of a payment to DTC shall be accompanied by an informational communication evidencing the CUSIP and related informational details with respect to each security being paid by wire transfer.

(f) *Effect of Redemption.* Unless the Port has rescinded a notice of optional redemption (or unless the Port provided a conditional notice of optional redemption and the conditions for the optional redemption set forth therein are not satisfied), the Series 2022 Bonds to be redeemed shall become due and payable on the date fixed for redemption, and the Port shall transfer to the Registrar amounts that, in addition to other money, if any, held by the Registrar for such purpose, will be sufficient to redeem, on the date fixed for redemption, all of the Series 2022 Bonds to be redeemed. If and to the extent that funds have been provided to the Registrar for the redemption of Series 2022 Bonds then from and after the date fixed for redemption for such Series 2022 Bond or portion thereof, interest on each such Series 2022 Bond shall cease to accrue and such Series 2022 Bond or portion thereof shall cease to be Outstanding.

(g) *Amendment of Notice Provisions.* The foregoing notice provisions of this section, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 5. Registration, Exchange and Payments.

(a) *Registrar/Bond Register.* The Port hereby specifies and adopts the system of registration and transfer for the Series 2022 Bonds approved by the Washington State Finance Committee, which utilizes the fiscal agent of the State of Washington, for the purposes of registering and authenticating the Series 2022 Bonds, maintaining the Bond Register and effecting transfer of ownership of the Series 2022 Bonds (the “Registrar”). The Registrar shall keep, or cause to be kept, at its principal corporate trust office, sufficient records for the registration and transfer of the Series 2022 Bonds (the “Bond Register”), which shall be open to inspection by the Port. The Registrar may be removed at any time at the option of the Designated Port Representative upon prior notice to the Registrar, DTC (or its successor or alternate depository), each party entitled to receive notice pursuant to the Continuing Disclosure Undertaking and a successor Registrar appointed by the Designated Port Representative. No resignation or removal of the Registrar shall be effective until a successor shall have been appointed and until the successor Registrar shall have accepted the duties of the Registrar hereunder. The Registrar is authorized, on behalf of the Port, to authenticate and deliver Series 2022 Bonds transferred or exchanged in accordance with the provisions of such Series 2022 Bonds and this series resolution and to carry out all of the Registrar’s powers and duties under this series resolution. The Registrar shall be responsible for its representations contained in the Certificate of Authentication on the Series 2022 Bonds.

(b) *Registered Ownership.* Except as provided in the last sentence of Section 5(c) or the Continuing Disclosure Undertaking authorized pursuant to Section 15 of this series resolution, the Port and the Registrar may deem and treat the Registered Owner of each Series 2022 Bond as the absolute owner for all purposes, and neither the Port nor the Registrar shall be affected by any notice to the contrary. Payment of any such Series 2022 Bond shall be made only as described in subsection (h) of this Section 5, but the transfer of such Series 2022 Bond may be registered as herein provided. All such payments made as described in subsection (h) of this Section 5 shall be valid and shall satisfy the liability of the Port upon such Series 2022 Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letter of Representations.* The Series 2022 Bonds shall initially be held in fully immobilized form by DTC acting as depository. To induce DTC to accept the Series 2022 Bonds as eligible for deposit at DTC, the Port has heretofore executed and delivered to DTC the Letter of Representations.

Neither the Port nor the Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Series 2022 Bonds for the accuracy of any records maintained by DTC (or any successor or alternate depository) or any DTC participant, the payment by DTC (or any successor or alternate depository) or any DTC participant of any amount in respect of the principal of or interest on Series 2022 Bonds, any notice that is permitted or required to be given to Registered Owners under this series resolution (except such notices as shall be required to be given by the Port to the Registrar or, by the Registrar, to DTC or any successor or alternate depository), the selection by DTC or by any DTC participant of any person to receive payment in the event of a partial redemption of the Series 2022 Bonds, or any consent given or other action taken by DTC (or any successor or alternate depository) as the Registered Owner. So long as any Series 2022 Bonds are held in

fully immobilized form, DTC or its successor depository shall be deemed to be the owner and Registered Owner for all purposes, and all references in this series resolution to the Registered Owners shall mean DTC (or any successor or alternate depository) or its nominee and shall not mean the owners of any beneficial interest in any Series 2022 Bonds. Notwithstanding the foregoing, if a Bond Insurance Policy is issued for any series or maturity of the Series 2022 Bonds and so long as the Bond Insurer is not in default under its Policy, the Bond Insurer shall be deemed to be the owner, Registered Owner, and holder of all bonds of that series or maturity for the purpose of granting consents and exercising voting rights with respect thereto and for any other purpose identified and specified in the Bond Insurance Commitment accepted by the Port as a condition of issuance of the Bond Insurance Policy.

(d) *Use of Depository.*

(1) The Series 2022 Bonds shall be registered initially in the name of CEDE & Co., as nominee of DTC, with a single Series 2022 Bond for each series and maturity having the same interest rate in a denomination equal to the total principal amount of such series and maturity. Registered ownership of such immobilized Series 2022 Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, or to any other nominee requested by an authorized representative of DTC, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Port pursuant to subsection (2) below or such substitute depository's successor or nominee; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Port to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its



successor), the Port may appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Registrar shall, upon receipt of all outstanding Series 2022 Bonds, together with a written request on behalf of the Port, issue a single new Series 2022 Bond for each series and maturity then outstanding, registered in the name of such successor or substitute depository, or its nominee, all as specified in such written request of the Port.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Port determines that it is in the best interest of the Beneficial Owners of the Series 2022 Bonds of any series that the Series 2022 Bonds of that series be provided in certificated form, the ownership of such Series 2022 Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The Port shall deliver a written request to the Registrar, together with a supply of definitive Series 2022 Bonds (of the appropriate series and maturities) in certificated form, to issue Series 2022 Bonds in any authorized denominations. Upon receipt by the Registrar of all then outstanding Series 2022 Bonds (of the appropriate series), together with a written request on behalf of the Port to the Registrar, new Series 2022 Bonds of such series shall be issued in the appropriate denominations and registered in the names of such persons as are provided in such written request.

(e) *Registration of the Transfer of Ownership or the Exchange of Series 2022 Bonds; Change in Denominations.* The transfer of any Series 2022 Bond may be registered and any Series 2022 Bond may be exchanged, but no transfer of any Series 2022 Bond shall be valid unless the Series 2022 Bond is surrendered to the Registrar with the assignment form appearing

on such Series 2022 Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the surrendered Series 2022 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee, a new Series 2022 Bond (or Series 2022 Bonds at the option of the Registered Owner) of the same date, series, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, as and naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Series 2022 Bond, in exchange for such surrendered and canceled Series 2022 Bond. Any Series 2022 Bond may be surrendered to the Registrar, together with the assignment form appearing on such Series 2022 Bond duly executed, and exchanged, without charge, for an equal aggregate principal amount of Series 2022 Bonds of the same date, series, maturity and interest rate, in any authorized denomination. The Registrar shall not be obligated to register the transfer or exchange of any Series 2022 Bond during a period beginning at the opening of business on the Record Date with respect to an interest payment date and ending at the close of business on such interest payment date, or, in the case of any proposed redemption of the Series 2022 Bonds, after the mailing of notice of the call for redemption of such Series 2022 Bonds.

(f) *Registrar's Ownership of Series 2022 Bonds.* The Registrar may become the Registered Owner of any Series 2022 Bond with the same rights it would have if it were not the Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners of the Series 2022 Bonds.

(g) *Registration Covenant.* The Port covenants that, until all Series 2022 Bonds issued on a federally tax-exempt basis have been surrendered and canceled, it will maintain a

system for recording the ownership of each Series 2022 Bond that complies with the provisions of Section 149 of the Code.

(h) *Place and Medium of Payment.* The principal of, premium, if any, and interest on the Series 2022 Bonds shall be payable in lawful money of the United States of America. Interest on the Series 2022 Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. For so long as all Series 2022 Bonds are in fully immobilized form with DTC, payments of principal, premium, if any, and interest shall be made as provided to the parties entitled to receive payment as of each Record Date in accordance with the operational arrangements of DTC described in the Letter of Representations. In the event that the Series 2022 Bonds are no longer in fully immobilized form with DTC (or its successor or alternate depository), interest on the Series 2022 Bonds shall be paid by check mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register as of the Record Date, and principal and premium, if any, of the Series 2022 Bonds shall be payable by check upon presentation and surrender of such Series 2022 Bonds by the Registered Owners at the principal office of the Registrar; provided, however, that if so requested in writing prior to the opening of business on the Record Date by the Registered Owner of at least \$1,000,000 aggregate principal amount of Series 2022 Bonds of a series, interest on such Series 2022 Bonds will be paid thereafter by wire transfer on the date due to an account with a bank located within the United States.

Section 6. Pledge of Available Intermediate Lien Revenues; Series 2022 Reserve Account Deposit.

(a) *Pledge of Available Intermediate Lien Revenue.* Pursuant to the Intermediate Lien Master Resolution, the Intermediate Lien Bond Fund and the Intermediate Lien Reserve Account have been created for the purpose of paying and securing the payment of the principal

of, premium, if any, and interest on all Outstanding Intermediate Lien Parity Bonds. The Port hereby irrevocably obligates and binds itself for as long as any Series 2022 Bonds remain Outstanding to set aside and pay into the Intermediate Lien Bond Fund from Available Intermediate Lien Revenues or money in the Revenue Fund, on or prior to the respective dates the same become due (and if such payment is made on the due date, such payment shall be made in immediately available funds):

(1) Such amounts as are required to pay the interest scheduled to become due on Series 2022 Bonds; and

(2) Such amounts with respect to Series 2022 Bonds as are required (A) to pay maturing principal, (B) to make any required sinking fund payments, and (C) to redeem Series 2022 Bonds in accordance with any mandatory redemption provisions.

Said amounts so pledged to be paid into such special funds are hereby declared to be a prior lien and charge upon the Gross Revenue superior to all other liens and charges of any kind or nature whatsoever except for (i) Operating Expenses, (ii) liens and charges thereon of Permitted Prior Lien Bonds, and (iii) liens and charges equal in rank that have or may be made thereon to pay Net Payments due pursuant to any Parity Derivative Product and to pay and secure the payment of the principal of, premium, if any, and interest on Outstanding Intermediate Lien Parity Bonds and any Intermediate Lien Parity Bonds issued in the future under authority of a Series Resolution in accordance with the provisions of Sections 4 and 5 of the Intermediate Lien Master Resolution.

(b) *Reserve Account Deposit.* The Series 2022 Reserve Account Deposit shall be deposited in the Intermediate Lien Reserve Account (or shall be satisfied through the issuance of one or more Surety Bonds) on the date of issuance of the Series 2022 Bonds. Together with existing reserve account balances in the Intermediate Lien Reserve Account, the Series 2022

Reserve Account Deposit shall be at least sufficient to meet the Intermediate Lien Reserve Requirement.

The Designated Port Representative may decide to utilize one or more Surety Bonds to satisfy the Series 2022 Reserve Account Deposit; provided that each Surety Bond meets the qualifications for Qualified Insurance. Upon such election, the Designated Port Representative is hereby authorized to execute and deliver one or more Surety Bond Agreements with one or more Surety Bond Issuers to effect the delivery of the Surety Bond(s).

Section 7. Designation of Refunded Bonds; Sale of Series 2022 Bonds.

(a) *Designation of Refunded Bonds.* As outlined in Section 2 and Section 9 of this series resolution, the Refunding Candidates may be called for redemption prior to their scheduled maturities. All or some of the Refunding Candidates may be defeased and/or refunded with the proceeds of the Series 2022 Bonds authorized by this series resolution. The Executive Director may select some or all of the Refunding Candidates and designate those Refunding Candidates as the “Refunded Bonds” in the Bond Purchase Contract if and to the extent that the criteria set forth in subsection (b) are met.

(b) *Series 2022 Bond Sale.* The Series 2022 Bonds shall be sold at one or more negotiated sale(s) to the Underwriters pursuant to the terms of the applicable Bond Purchase Contract. The Designated Port Representative is hereby authorized to negotiate terms for the purchase of the Series 2022 Bonds and to execute one or more Bond Purchase Contracts, with such terms (including the designation of the Refunded Bonds and the Series 2022 Reserve Account Deposit) as are approved by the Executive Director pursuant to this section and consistent with this series resolution and the Intermediate Lien Master Resolution. The Commission has been advised by the Port’s financial advisor that market conditions are fluctuating and, as a result, the most favorable market conditions may occur on a day other than a

regular meeting date of the Commission. The Commission has determined that it would be in the best interest of the Port to delegate to the Executive Director for a limited time the authority to approve the designation of the Refunded Bonds and to approve the number of series, final series designations, and with respect to each series, the date of sale, the tax status of each series, interest rates, maturity dates, aggregate principal amount, principal amounts and prices of each maturity, redemption rights, and other terms and conditions of the Series 2022 Bonds. The Executive Director is hereby authorized to approve the designation of the Refunded Bonds and to approve the number of series, final series designations, and with respect to each series, the date of sale, the tax status of each series, interest rates, maturity dates, aggregate principal amount, principal amounts of each maturity and redemption rights for the Series 2022 Bonds in the manner provided hereafter (A) so long as the aggregate principal amount of the Series 2022 Bonds does not exceed the maximum principal amount set forth in Section 2, and (B) so long as the true interest cost for the Series 2022 Bonds of a series issued on a federally tax-exempt basis does not exceed 4.50% per annum, and so long as the true interest cost for the Series 2022 Bonds of a series issued on a federally taxable basis does not exceed 4.50% per annum.

In designating the Refunded Bonds, determining the number of series, final series designations, the date of sale, tax status of each series, interest rates, prices, maturity dates, aggregate principal amount, principal maturities, redemption rights or provisions of the Series 2022 Bonds for approval and the Series 2022 Reserve Account Deposit, the Designated Port Representative, in consultation with Port staff and the Port's financial advisor, shall take into account those factors that, in his judgment, will result in the most favorable interest cost on the Series 2022 Bonds of a series, including, but not limited to, current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Series 2022 Bonds. Subject to the terms and conditions set forth in this section, the Designated

Port Representative is hereby authorized to execute the final form of the Bond Purchase Contract, upon the Executive Director's approval of the Refunded Bonds, the number of series, final series designations, the date of sale, tax status of each series, interest rates, maturity dates, aggregate principal amount, principal maturities and redemption rights set forth therein. Following the execution of the Bond Purchase Contract, the Executive Director or Designated Port Representative shall provide a report to the Commission, describing the final terms of the Series 2022 Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Port Representative and the Executive Director by this section shall expire on December 31, 2022. If a Bond Purchase Contract for the Series 2022 Bonds has not been executed by December 31, 2022, the authorization for the issuance of the Series 2022 Bonds of that series shall be rescinded, and the Series 2022 Bonds shall not be issued nor their sale approved unless the Series 2022 Bonds shall have been re-authorized by resolution of the Commission. The resolution reauthorizing the issuance and sale of the Series 2022 Bonds may be in the form of a new series resolution repealing this series resolution in whole or in part (only with respect to the Series 2022 Bonds not issued) or may be in the form of an amendatory resolution approving a bond purchase contract or extending or establishing new terms and conditions for the authority delegated under this section.

Upon the adoption of this series resolution, the proper officials of the Port including the Designated Port Representative, are authorized and directed to undertake all other actions necessary for the prompt execution and delivery of the Series 2022 Bonds to the Underwriters thereof and further to execute all closing certificates and documents required to effect the closing and delivery of the Series 2022 Bonds in accordance with the terms of the Bond Purchase Contract.

The Designated Port Representative and other Port officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Series 2022 Bonds to the Underwriters and for the proper application and use of the proceeds of sale of the Series 2022 Bonds. In furtherance of the foregoing, the Designated Port Representative is authorized to approve and enter into agreements for the payment of costs of issuance, including Underwriters' discount, the fees and expenses specified in the Bond Purchase Contract, including fees and expenses of the Underwriters and other retained services, including Bond Counsel, disclosure counsel, rating agencies, fiscal agent, escrow agent, if any, verification agent, financial advisory services, independent consultant, and other expenses customarily incurred in connection with the issuance and sale of bonds.

The Designated Port Representative is authorized to ratify, execute, deliver and approve for purposes of the Rule, on behalf of the Port, the final official statement(s) (and to approve, deem final and deliver any preliminary official statement) and any supplement thereto relating to the issuance and sale of the Series 2022 Bonds and the distribution of the Series 2022 Bonds pursuant thereto with such changes, if any, as may be deemed by him/her to be appropriate.

Section 8. Application of Series 2022 Bond Proceeds.

(a) *Application of Project Bond Proceeds.* The proceeds of the Project Bonds (exclusive of the Underwriters' discount and any amounts that may be designated by the Designated Port Representative in a closing certificate to be allocated to pay costs of issuance or any Bond Insurance Policy premium and/or a Surety Bond premium) shall be applied as follows:

(1) An amount(s), if any, specified by the Designated Port Representative shall be deposited into one or more capitalized interest accounts (hereinafter authorized to be created);



(2) An amount specified by the Designated Port Representative as required to pay the Series 2022 Reserve Account Deposit shall be deposited into the Intermediate Lien Reserve Account; and

(3) An amount specified by the Designated Port Representative shall be deposited into one or more capital project accounts and used to pay costs of issuance and, together with other available moneys, to pay costs of the Projects.

If interest on the Project Bonds is to be capitalized, the Treasurer of the Port is hereby authorized and directed to create one or more capitalized interest accounts for the purpose of holding certain Project Bond proceeds and interest earnings thereon to be used and disbursed to pay interest on the Series 2022 Bonds through the date or dates specified by the Designated Port Representative.

The Treasurer shall invest the net proceeds of the Project Bonds in such obligations as may now or hereafter be permitted to port districts of the State of Washington by law and that will mature prior to the date on which such money shall be needed. Earnings on such investments, except as may be required to pay rebatable arbitrage pursuant to the Federal Tax Certificate, may be used for Port purposes or transferred to the Intermediate Lien Bond Fund for the uses and purposes therein provided.

The Port shall maintain books and records regarding the use and investment of proceeds of Series 2022 Bonds issued on a federally tax-exempt basis in order to maintain compliance with its obligations under its Federal Tax Certificate.

(b) *Application of Refunding Bond Proceeds.* The net proceeds of the Refunding Bonds (exclusive of the Underwriters' discount and any amounts that may be designated by the Designated Port Representative in a closing certificate to be allocated to pay costs of issuance or any Bond Insurance Policy premium and/or a Surety Bond premium, or to satisfy a portion of the

Intermediate Lien Reserve Requirement), together with other available funds of the Port in the amount specified by the Designated Port Representative, shall be utilized immediately upon receipt thereof to pay and redeem the Refunded Bonds and/or shall be paid at the direction of the Treasurer to the Escrow Agent (if the Designated Port Representative has determined that an escrow is necessary or desirable to effect the defeasance of all or a portion of the Refunded Bonds).

(c) *Defeasance of Refunded Bonds.* Subject to and in accordance with the resolution authorizing the issuance of the Refunded Bonds, the net proceeds of the Refunding Bonds so deposited shall be utilized immediately upon receipt thereof to pay and redeem Refunded Bonds and/or to purchase the noncallable Government Obligations that are direct or indirect obligations of the United States or obligations unconditionally guaranteed by the United States specified by the Designated Port Representative (the “Acquired Obligations”) and to maintain such necessary beginning cash balance to defease the Refunded Bonds and to discharge the other obligations of the Port relating thereto under the resolution authorizing their issuance, by providing for the payment of the interest on the Refunded Bonds to the date fixed for redemption and the redemption price (the principal amount plus any premium required) on the date fixed for redemption of the Refunded Bonds. Subject to compliance with all conditions set forth in the resolution authorizing the issuance of the Refunded Bonds, when the final transfers have been made for the payment of such redemption price and interest on the Refunded Bonds, any balance then remaining shall be transferred to the account designated by the Port and used for the purposes specified by the Designated Port Representative.

(d) *Acquired Obligations.* The Acquired Obligations, if any, shall be payable in such amounts and at such times that, together with any necessary beginning cash balance, will be sufficient to provide for the payment of:

(1) the interest on the Refunded Bonds as such becomes due on and before the dates fixed for redemption of the Refunded Bonds; and

(2) the price of redemption of the Refunded Bonds on the date fixed for redemption of the Refunded Bonds.

(e) *Authorizing Appointment of Escrow Agent and Verification Agent.* The Commission hereby authorizes and directs the Designated Port Representative (if the Designated Port Representative determines that an escrow would be necessary or desirable to effect the defeasance of all or a portion of the Refunded Bonds) to select a financial institution to act as the escrow agent for all or a portion of the Refunded Bonds and also to select a verification agent for some or all of the Refunded Bonds.

Section 9. Redemption of Refunded Bonds. The Commission hereby calls the callable Refunded Bonds for redemption on the redemption date specified by the Designated Port Representative in accordance with the provisions of the resolution authorizing the issuance, redemption and retirement of the Refunded Bonds, respectively, prior to their maturity dates.

The Designated Port Representative may cause to be disseminated a conditional notice of redemption prior to the closing and delivery of the Refunding Bonds and if a notice of redemption has been disseminated, such notice may be revoked at the option of the Designated Port Representative.

Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the closing and delivery of the Refunding Bonds.

If so appointed, the Escrow Agent shall be authorized and directed to provide for the giving of irrevocable notice of the redemption of those Refunded Bonds designated in the Escrow Agreement in accordance with the terms of the resolution authorizing the issuance of such Refunded Bonds and as described in the Escrow Agreement. The Treasurer is authorized

and directed to provide whatever assistance is necessary to accomplish such redemption and the giving of irrevocable notice therefor. The costs of mailing of such notice shall be an expense of the Port.

The Port or the Escrow Agent, if any, on behalf of the Port, shall be authorized and directed to pay to the fiscal agent of the State of Washington, sums sufficient to pay, when due, the payments specified in Section 8(d) of this series resolution. All such sums shall be paid from the moneys and the Acquired Obligations pursuant to the previous section of this series resolution, and the income therefrom and proceeds thereof.

If an Escrow Agent is appointed, the Port will ascertain that all necessary and proper fees, compensation and expenses of the Escrow Agent for the Refunded Bonds shall be paid when due. If an Escrow Agent is appointed, the Designated Port Representative is authorized and directed to execute and deliver the Escrow Agreement to the Escrow Agent when the provisions thereof have been fixed and determined for closing and delivery of the Refunding Bonds. The Escrow Agreement, if any, shall be in form and substance satisfactory to the Designated Port Representative and the Escrow Agent, and may include a separate Costs of Issuance Agreement.

#### Section 10. Tax Covenants.

(a) *General.* The Port covenants that it will not take or permit to be taken on its behalf any action that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Series 2022 Bonds issued on a federally tax-exempt basis, and will take or require to be taken such acts as may reasonably be within its ability and as may from time to time be required under applicable law to continue the exclusion from gross income for federal income tax purposes of the interest on such Series 2022 Bonds issued on a federally tax-exempt basis. The Port shall comply with its covenants set forth in the Federal Tax Certificate with respect to such Series 2022 Bonds issued on a federally tax-exempt basis.

(b) *No Bank Qualification.* The Series 2022 Bonds shall not be qualified tax-exempt obligations pursuant to Section 265(b) of the Code for investment by financial institutions.

Section 11. Lost, Stolen, Mutilated or Destroyed Series 2022 Bonds. In case any Series 2022 Bond shall be lost, stolen, mutilated or destroyed, the Registrar may execute and deliver a new Series 2022 Bond of like series, maturity, date, number and tenor to the Registered Owner thereof upon the owner's paying the expenses and charges of the Port in connection therewith and upon his/her filing with the Port evidence satisfactory to the Port that such Series 2022 Bond was actually lost, stolen or destroyed (including the presentation of a mutilated Series 2022 Bond) and of his/her ownership thereof, and upon furnishing the Port and the Registrar with indemnity satisfactory to both.

Section 12. Form of Series 2022 Bonds and Registration Certificate. The Series 2022 Bonds shall be in substantially the following form:

[DTC HEADING]

NO. \_\_\_\_\_ UNITED STATES OF AMERICA \$ \_\_\_\_\_  
STATE OF WASHINGTON  
PORT OF SEATTLE  
INTERMEDIATE LIEN REVENUE [AND] [REFUNDING] BOND,  
SERIES 2022[A][B][C]  
[(Non-AMT)][(Private Activity - AMT)][(Taxable)]

Maturity Date: \_\_\_\_\_, \_\_\_\_\_ CUSIP No. \_\_\_\_\_

Interest Rate:

Registered Owner: Cede & Co.

Principal Amount:

THE PORT OF SEATTLE, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "Port"), promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, solely from the special fund of the Port known as the "Port of Seattle Revenue Intermediate Lien Bond Fund" (the "Intermediate Lien Bond Fund") created by Resolution No. 3540, as amended (the "Intermediate Lien Master Resolution" and together with Resolution No. \_\_\_\_\_, hereinafter collectively referred to as the "Bond Resolution"), the Principal Amount indicated above and to

pay interest thereon from the Intermediate Lien Bond Fund from the date of initial delivery, or the most recent date to which interest has been paid or duly provided for or until payment of this bond at the Interest Rate set forth above, payable semiannually on the first days of each \_\_\_\_\_ and \_\_\_\_\_ beginning on \_\_\_\_\_ 1, 20\_\_\_\_. The principal of, premium, if any, and interest on this bond are payable in lawful money of the United States of America. Principal, premium, if any, and interest shall be paid as provided in the Blanket Issuer Letter of Representations (the “Letter of Representations”) by the Port to The Depository Trust Company (“DTC”) (or its successor or alternate depository) or other registered owner. Capitalized terms used in this bond which are not specifically defined have the meanings given such terms in the Bond Resolution. The Treasurer of the Port has appointed the fiscal agent for the State of Washington as the initial registrar, authenticating and paying agent for the bonds of this series.

This bond is one of a series of bonds of the Port in the aggregate principal amount of \$\_\_\_\_\_, of like date, tenor and effect, except as to number, amount, rate of interest and date of maturity and is issued pursuant to the Bond Resolution to [pay costs of capital improvement projects][to defease and/or refund certain outstanding Port revenue bonds]. [Simultaneously herewith, the Port is issuing two other series of revenue bonds: its Intermediate Lien Revenue [and] [Refunding] Bonds, Series 2022[A][B][C] [(Non-AMT)] [(Private Activity - AMT)] [(Taxable)] in the principal amount of \$\_\_\_\_\_, and Intermediate Lien Revenue [and] [Refunding] Bonds, Series 2022[A][B][C] [(Non-AMT)] [(Private Activity - AMT)] [(Taxable)], in the principal amount of \$[\_\_\_\_\_].

The bonds of this issue maturing on and after \_\_\_\_\_ 1, \_\_\_\_ shall be subject to optional redemption in advance of their scheduled maturity on and after \_\_\_\_\_ in whole or in part on any date at a price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption.

[The bonds of this issue maturing on \_\_\_\_\_ 1, \_\_\_\_ shall be redeemed by the Port on \_\_\_\_\_ 1 of the following years in the following principal amounts at a price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption:

Redemption Dates	Amounts
	\$

\* Final Maturity]

[The bonds of this series are [not] private activity bonds.] The bonds of this series are not “qualified tax-exempt obligations” eligible for investment by financial institutions within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended. [The Port has taken no action to cause the interest on this bond to be exempt from general federal income taxation.]

The Port hereby covenants and agrees with the owner and holder of this bond that it will keep and perform all the covenants of this bond and the Bond Resolution.

The Port does hereby pledge and bind itself to set aside and pay into the Intermediate Lien Bond Fund and Intermediate Lien Reserve Account from Available Intermediate Lien

Revenues or money in the Revenue Fund the various amounts required by the Bond Resolution to be paid into and maintained in said Fund and Account, all within the times provided by said Bond Resolution.

The amounts pledged to be paid out of Gross Revenue into the Intermediate Lien Bond Fund and Intermediate Lien Reserve Account are hereby declared to be a first and prior lien and charge upon the Gross Revenue, subject to the payment of Operating Expenses of the Port and subject further to the liens thereon of the Permitted Prior Lien Bonds and equal in rank to the lien and charge upon such Gross Revenue of the amounts required to pay and secure the payment of any Net Payments due pursuant to any Parity Derivative Product, any Outstanding Intermediate Lien Parity Bonds and any revenue bonds of the Port hereafter issued on a parity with the Outstanding Intermediate Lien Parity Bonds and the bonds of this issue.

The Port has further bound itself to establish, maintain and collect rentals, tariffs, rates, fees, and charges in the operation of all of its businesses for as long as any bonds of this issue are outstanding that will make available, for the payment of the principal thereof and interest thereon as the same shall become due, Available Intermediate Lien Revenues in an amount equal to or greater than the Rate Covenant defined in the Intermediate Lien Master Resolution.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Registrar.

It is hereby certified and declared that this bond and the bonds of this issue are issued pursuant to and in strict compliance with the Constitution and laws of the State of Washington and resolutions of the Port and that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed.

IN WITNESS WHEREOF, the Port of Seattle has caused this bond to be executed by the manual or facsimile signatures of the President and Secretary of the Port Commission, and the corporate seal of the Port to be impressed or a facsimile thereof imprinted hereon as of the \_\_\_\_ day of \_\_\_\_\_, 2022.

PORT OF SEATTLE

By \_\_\_\_\_/s/\_\_\_\_\_  
President, Port Commission

ATTEST:

\_\_\_\_\_/s/\_\_\_\_\_  
Secretary, Port Commission

## CERTIFICATE OF AUTHENTICATION

Date of Authentication: \_\_\_\_\_

This bond is one of the bonds described in the within mentioned Bond Resolution and is one of the Intermediate Lien Revenue [and] [Refunding] Bonds, Series 2022[A][B][C] [(Non-AMT)] [(Private Activity - AMT)][(Taxable)] of the Port of Seattle, dated \_\_\_\_\_, 2022.

WASHINGTON STATE FISCAL AGENT, as  
Registrar

By \_\_\_\_\_  
Authorized Signer

\* \* \* \* \*

In the event any Series 2022 Bonds are no longer in fully immobilized form, the form of such Series 2022 Bonds may be modified to conform to printing requirements and the terms of this series resolution.

Section 13.    Execution. The Series 2022 Bonds shall be executed on behalf of the Port with the manual or facsimile signature of the President of its Commission, shall be attested by the manual or facsimile signature of the Secretary thereof and shall have the seal of the Port impressed or a facsimile thereof imprinted thereon.

Only such Series 2022 Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this series resolution. Such Certificate of Authentication shall be conclusive evidence that the Series 2022 Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this series resolution.

In case either of the officers of the Port who shall have executed the Series 2022 Bonds shall cease to be such officer or officers of the Port before the Series 2022 Bonds so signed shall



have been authenticated or delivered by the Registrar, or issued by the Port, such Series 2022 Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the Port as though those who signed the same had continued to be such officers of the Port. Any Series 2022 Bond may also be signed and attested on behalf of the Port by such persons as on the actual date of execution of such Series 2022 Bond shall be the proper officers of the Port although on the original date of such Series 2022 Bond any such person shall not have been such officer.

Section 14. Defeasance. In the event that money and/or noncallable Government Obligations that are direct obligations of the United States or obligations unconditionally guaranteed by the United States maturing or having guaranteed redemption prices at the option of the owner at such time or times and bearing interest to be earned thereon in amounts (together with such money, if any) sufficient to redeem and retire part or all of the Series 2022 Bonds in accordance with their terms, are hereafter irrevocably delivered to the Registrar for payment such Series 2022 Bonds or set aside in a special account and pledged to effect such redemption and retirement, and, if the Series 2022 Bonds are to be redeemed prior to maturity, irrevocable notice, or irrevocable instructions to give notice of such redemption has been delivered to the Registrar, then no further payments need be made into the Intermediate Lien Bond Fund or any account therein for the payment of the principal of, premium, if any, and interest on the Series 2022 Bonds so provided for and such Series 2022 Bonds shall then cease to be entitled to any lien, benefit or security of the Intermediate Lien Master Resolution or this series resolution, except the right to receive the funds so set aside and pledged and such notices of redemption, if any, and such Series 2022 Bonds shall no longer be deemed to be Outstanding hereunder, under the Intermediate Lien Master Resolution or under any resolution authorizing the issuance of bonds or other indebtedness of the Port.

The Port shall provide notice of defeasance of any Series 2022 Bonds to the Registered Owners of the Series 2022 Bonds being defeased, to the Bond Insurer, if any, and to each party entitled to receive notice under the Continuing Disclosure Undertaking authorized pursuant to Section 15 of this series resolution.

Section 15. Undertaking to Provide Ongoing Disclosure. The Designated Port Representative is authorized to, in his or her discretion, execute and deliver a Continuing Disclosure Undertaking providing for an undertaking by the Port to assist the Underwriters in complying with the Rule.

Section 16. Bond Insurance. The payments of the principal of and interest on one or more series, or principal maturities within one or more series, of the Series 2022 Bonds may be insured by the issuance of the Bond Insurance Policy. The Designated Port Representative may solicit proposals from municipal bond insurance companies, and the Designated Port Representative, in consultation with the Port's financial advisor, is hereby authorized to select the proposal that is deemed to be the most cost effective and further to execute the Bond Insurance Commitment with the Bond Insurer, which may include such covenants and conditions as shall be approved by the Designated Port Representative.

Section 17. Compliance with Parity Conditions. The Commission hereby finds and determines as required by Section 5(b) of the Intermediate Lien Master Resolution, as follows:

First: The Port is not in default of its covenant under Section 5 of the Intermediate Lien Master Resolution; and

Second: The Commission has been assured that prior to the issuance and delivery of the Series 2022 Bonds, the Port will meet the conditions set forth in Section 5(c) of the Intermediate Lien Master Resolution and/or will deliver either:

(A) a certificate prepared as provided in the Intermediate Lien Master Resolution and executed by the Designated Port Representative stating that Available Intermediate Lien Revenues as First Adjusted during the Base Period were at least equal to 110 percent of Annual Debt Service in each year of the Certificate Period with respect to all Intermediate Lien Parity Bonds then Outstanding and then proposed to be issued; or

(B) a Consultant's certificate, prepared as provided in the Intermediate Lien Master Resolution and stating that projected Available Intermediate Lien Revenues as First Adjusted will be at least equal to 110 percent of Annual Debt Service in each year of the Certificate Period with respect to all Intermediate Lien Parity Bonds then Outstanding and then proposed to be issued.

The limitations contained in the conditions provided in Section 5(b) of the Intermediate Lien Master Resolution having been complied with, the payments required herein to be made out of the Available Intermediate Lien Revenues to pay and secure the payment of the principal of, premium, if any, and interest on the Series 2022 Bonds shall constitute a lien and charge upon such a charge and lien upon the Available Intermediate Lien Revenues equal to the lien thereon of Outstanding Intermediate Lien Parity Bonds.

Section 18. Resolution and Laws a Contract with the Series 2022 Bond Owners. This series resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington. In consideration of the purchase and ownership of the Series 2022 Bonds, the provisions of this series resolution and of said laws shall constitute a contract with the owners of the Series 2022 Bonds, and the obligations of the Port and its Commission under said laws and under this series resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein and in the Series 2022 Bonds set forth shall be for the equal benefit of the owners of the Series 2022 Bonds.

Section 19.    Severability. If any one or more of the covenants or agreements provided in this series resolution to be performed on the part of the Port shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements in this series resolution and shall in no way affect the validity of the other provisions of this series resolution or of any Intermediate Lien Parity Bonds.

Section 20.    Effective Date. This series resolution shall be effective immediately upon its adoption.

ADOPTED by the Port Commission of the Port of Seattle at duly noticed meeting thereof, held this \_\_\_\_\_ day of \_\_\_\_\_, 2022, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof.

PORT OF SEATTLE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Commissioners

**EXHIBIT A**

**REFUNDING CANDIDATES**

**Port of Seattle Intermediate Lien Revenue Refunding Bonds, Series 2012A  
(Non-AMT)<sup>(1)</sup>**

Maturity Dates (August 1)	Principal Amounts	Interest Rates
2023*	\$ 2,550,000	3.00%
2023*	12,635,000	5.00
2024	15,895,000	5.00
2025	19,395,000	5.00
2026	20,365,000	5.00
2027	21,385,000	5.00
2028	22,455,000	5.00
2029	23,575,000	5.00
2030	44,520,000	5.00
2031	46,745,000	5.00
2032	21,795,000	5.00
2033	22,885,000	5.00

\* Bifurcated Maturity.

**Port of Seattle Intermediate Lien Revenue Refunding Bonds, Series 2012B  
(AMT)<sup>(2)</sup>**

Maturity Dates (August 1)	Principal Amounts	Interest Rates
2023	\$ 17,465,000	5.00%
2024	18,280,000	5.00

**Port of Seattle Intermediate Lien Revenue Refunding Bonds, Series 2013 (AMT)<sup>(3)</sup>**

Maturity Dates (July 1)	Principal Amounts	Interest Rates
2024	\$ 14,720,000	5.00%
2025	15,460,000	5.00
2026	16,230,000	5.00
2027	17,045,000	5.00
2028*	5,000,000	4.50
2028*	12,895,000	5.00
2029	18,435,000	5.00

\* Bifurcated maturity.

<sup>(1)</sup> Callable at any time on and after August 1, 2022, in whole or in part on any date, with maturities to be selected by the Port, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to the date fixed for redemption.

<sup>(2)</sup> Callable at any time on and after August 1, 2022, in whole or in part on any date, with maturities to be selected by the Port, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to the date fixed for redemption.

<sup>(3)</sup> Callable at any time on and after July 1, 2023, as a whole or in part or any date, with maturities to be selected by the Port, at a redemption price equal to 100% of the principal amount thereof, plus interest accrued to the date fixed for redemption.

## **EXHIBIT B**

### **PROJECTS**

Runway, apron and safety areas construction, repairs and improvements; airfield infrastructure construction, repairs and upgrades; noise mitigation; Airport Terminal and parking garage construction, modification, repairs, improvements including equipment acquisition; roadway and ground transportation improvements; airport support systems and services improvements; planning work relating to future facilities on or near the Airport; property acquisitions for Airport expansion adjacent or near to the Airport and other airport improvements that are functionally related to the airfield, air terminal and Airport property improvements described above at Seattle-Tacoma International Airport, 17801 Pacific Highway South, Seatac, WA 98158, which is owned and operated by the Port.

CERTIFICATE

I, the undersigned, Secretary of the Port Commission (the “Commission”) of the Port of Seattle (the “Port”), DO HEREBY CERTIFY:

1. That the attached resolution numbered \_\_\_\_\_ (the “Resolution”), is a true and correct copy of a resolution of the Port, as finally adopted at a meeting of the Commission held on the \_\_\_\_\_ day of \_\_\_\_\_, 2022, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Commission was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of said Resolution; that all other requirements and proceedings incident to the proper adoption of said Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Secretary



# Intermediate Lien Revenue Bonds

April 12, 2022

# Request Introduction of Resolution No. 3801

- Sale and Issuance of Intermediate Lien Revenue Bonds
  - Fund Airport capital investments
  - Refund outstanding debt for savings
- Multiple Series Based on Federal tax status
  - Governmental Bonds – no income tax for investors
  - Private Activity Bonds – no regular tax, but subject to Alternative Minimum Tax (AMT)
  - Taxable – investors subject to regular federal income tax

# Fund Airport Capital Investments

- Funding for approximately \$560 million of spending
- Project spending must be authorized prior to use of bond proceeds
- Most projects will be funded with Private Activity bonds and subject to AMT



## Projects Include:

- Continuation of Baggage Optimization and Airfield Pavement Replacement
- North Main Terminal Redevelopment

# Refund Existing Bonds

<u>Refunding Candidates</u>	<u>Total Principal (\$)</u>
Intermediate Lien Revenue Bonds, Series 2012A	274,200,000
Intermediate Lien Revenue Bonds, Series 2012B	35,745,000
Intermediate Lien Revenue Bonds, Series 2013 (1)	<u>99,785,000</u>
<b>TOTAL</b>	409,730,000
(1) Potential candidate	

- Bonds will be refunded for debt service savings due to lower interest rates – estimated present value saving of
  - \$25million 2012 bonds
  - \$4 million 2013 bonds

# Resolution No. 3801

- Similar in all material respect to other Intermediate Lien resolutions
  - Pursuant to Intermediate Lien Master Resolution
  - Provides delegation to Executive Director to approve bond sale
- Provides funding for related costs
- Bonds will be sold by Port underwriting team
- Delegation Limits:
  - Maximum Par Amount: \$1 billion
  - Maximum Interest Rate: 4.5%
  - Bond sale must occur by December 31, 2022
  - Exceeding limits requires further authorization

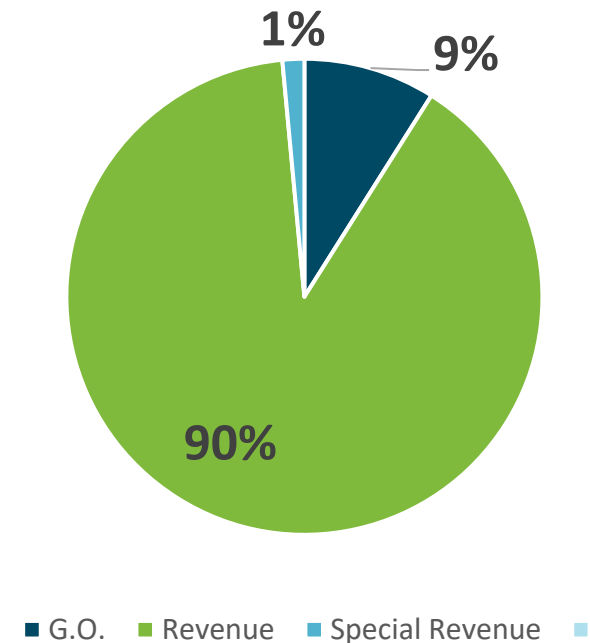
# ADDITIONAL INFORMATION

# The Port Primarily Uses Revenue Bonds For CIP Funding

## Type of Debt based on Security Pledge

- General Obligation – secured by the Port's full faith and credit and paid from the tax levy
- Revenue bonds – secured by all of the Port's net operating revenues
- Special revenue bonds – secured by a specific revenue source:
  - Fuel Facility lease

Bonds by Security Type  
as of Feb. 28, 2022



# Port Revenue Bonds - Three Liens

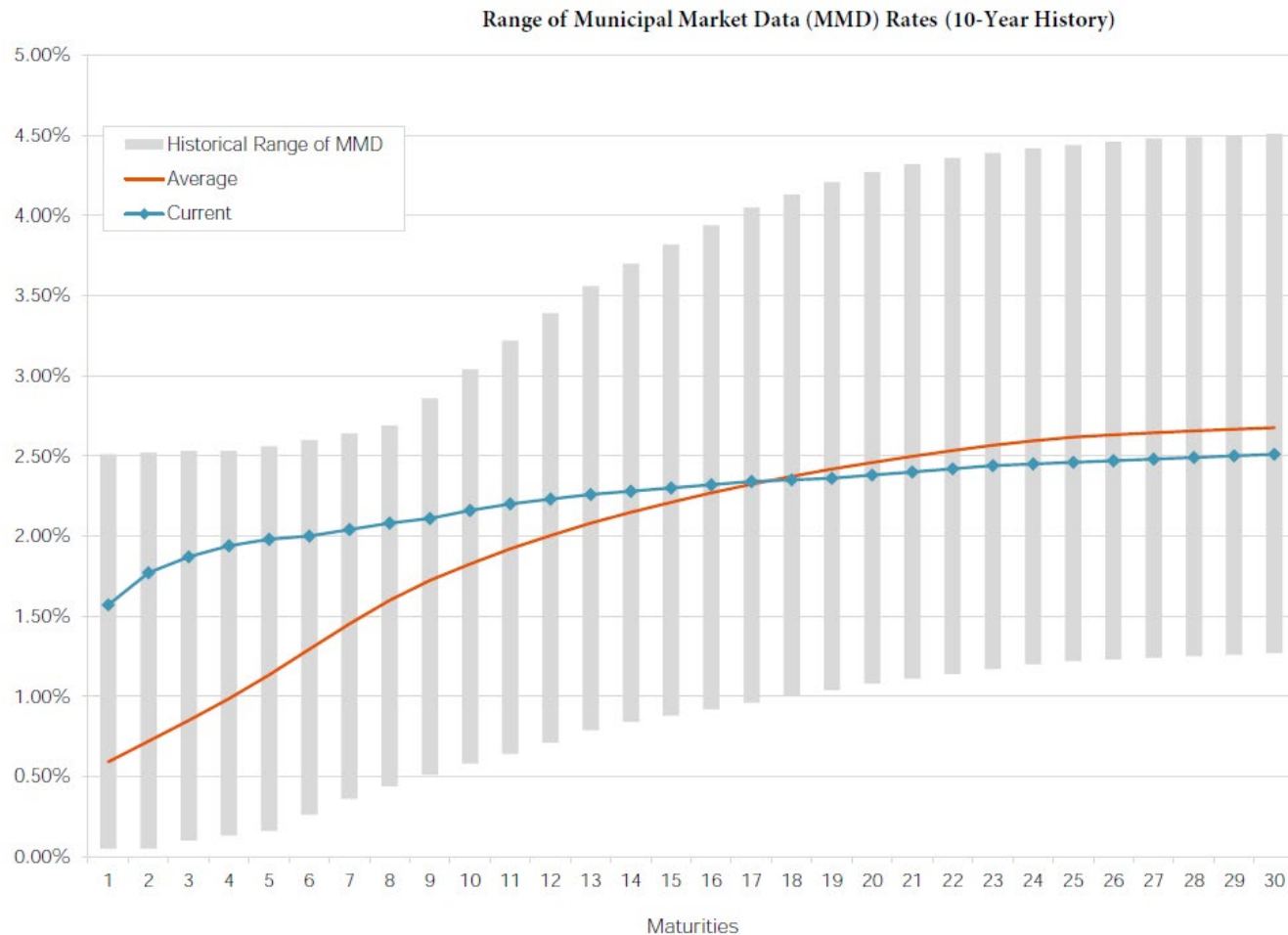
	Priority of Payment from Gross Operating Revenues
1	Operating Expenses
2	First Lien Obligations
3	Intermediate Lien Obligations
4	Subordinate Lien Obligations
5	Capital Investments

Revenue Liens	Primary Use	2/28/22 \$M
First Lien	Non-Airport or in adverse markets	211.8
Intermediate Lien	Airport funding; includes Airport features like using PFCs and CFCs to off-set debt service	3,307.9
Subordinate Lien	Variable rate debt backed by bank credit facilities; includes CP	<u>168.3</u>
		3,688.0

The Airport accounts for 87% of all Port debt and 95% of revenue bond debt



# Current Rate Environment – Municipal Market Data (MMD) Index



Current interest rates are reasonable compared to average rates over the past ten years

- Short-term rates in the upper end of the historical range
- Long-term rates are below average

Current rates are 1.25 percentage points higher than the 2021 bond sale

MMD index is based on AAA General Obligation Bonds; Port bonds bear higher interest rates than the index

PIPER | SANDLER

[RETURN TO AGENDA](#)

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

11a

**BRIEFING ITEM**

**Date of Meeting**

April 12, 2022

**DATE:** March 25, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Geraldine Poor, Regional Transportation Senior Manager  
Matthew Mateo, Senior Environmental Planner

**SUBJECT: Sound Transit 3 – West Seattle and Ballard Link Extensions (WSBLE) Briefing on Draft Environmental Impact Statement (DEIS) and Ballard/Interbay Segments**

**EXECUTIVE SUMMARY**

In January 2022, Sound Transit published their WSBLE DEIS for a 90-day comment period, closing April 28, 2022. At this April 12th meeting, Sound Transit will provide an overview of this significant Seattle area infrastructure project and show that the Port of Seattle must remain closely engaged with project development as the environmental review, design and construction efforts move forward. This briefing follows an April 5 briefing to the Northwest Seaport Alliance Managing Members on the WSBLE Duwamish Crossing. Here, Port of Seattle Commissioners will learn more about the project and have the opportunity to ask questions.

**ADDITIONAL BACKGROUND**

Sound Transit's mission is to plan, build and operate mass transit service throughout central Puget Sound. The initial phase of the regional mass transit system, called Sound Move, was approved by voters in 1996. The second phase, Sound Transit 2 (ST2), was approved in 2008. Under these plans, the regional light rail system will more than double in length from just over 20 miles today to over 50 miles by 2023. Service is also increasing on the 83-mile Sounder commuter rail line from Everett to Lakewood, and ST Express buses continue to serve major highways in the region.

Sound Transit 3 (ST3) provides the next phase of high-capacity transit improvements for central Puget Sound. In November 2016, voters of the Central Puget Sound region approved the ST3 ballot measure. With this plan, the light rail system will more than double again to 116 miles with over 80 stations. Light rail will expand north to Everett, south to Tacoma, east to downtown Redmond, south Kirkland, and Issaquah and west to Ballard and West Seattle, building 62 new miles of light rail. ST3 will also invest in Bus Rapid Transit (BRT) in two corridors: connecting Lynnwood to Burien via I-405 and SR 518; and on SR 522 between Bothell and Shoreline. Finally, the plan will extend Sounder commuter rail to serve Joint Base Lewis-McChord and DuPont.

The ballot measure included a "representative project alignment," essentially acting as a baseline and budget for further development of the link extensions.

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- The “representative” project for the West Seattle Link Extension builds light rail from West Seattle's Alaska Junction neighborhood to downtown Seattle primarily on an elevated guideway with a new rail-only fixed span crossing of the Duwamish River. The West Seattle Link Extension will connect to existing Link service, continuing north to Lynnwood and Everett.
- The “representative” projects for the Ballard Link Extension and downtown Seattle Light Rail Tunnel build light rail from Ballard's Market Street area through downtown Seattle with both tunneled and elevated alignments and a rail-only movable bridge over Salmon Bay. These connect to Link service, continuing south to Tacoma.

The focus of this briefing will be on the Interbay/Ballard segments of the Ballard Link Extension. It would be about 7.1 miles from Downtown Seattle to Ballard's Northwest Market Street area and include a new 3.3-mile rail-only tunnel from Chinatown-International District to South Lake Union and Seattle Center/Uptown. Stations would serve the following areas: Chinatown-International District, Midtown, Westlake, Denny, South Lake Union, Seattle Center, Smith Cove, Interbay, and Ballard.

In early 2018, Sound Transit launched an “alternatives development” process including broad stakeholder involvement with the goal of building consensus around a “preferred project alignment” for the WSBLE in advance of starting the EIS. That process includes the formation of an Elected Leadership Group (ELG), Inter-Agency Group (IAG) and a Stakeholder Advisory Group (SAG). Alongside ten other elected officials, former Port of Seattle Commissioner Stephanie Bowman represented Port of Seattle and NWSA interests on the ELG. Port and NWSA staff were represented on the IAG and closely monitored the SAG and other outreach efforts. In April 2018, the Managing Members received an overview presentation and provided comments regarding Sound Transit's West Seattle and Ballard Extensions.

In 2019, Sound Transit embarked on an environmental process for WSBLE. The Port of Seattle and Northwest Seaport Alliance submitted scoping comments to Sound Transit on April 2, 2019, which can be viewed as a separate attachment.

Later in 2019, the ST Board identified alternatives for review in the EIS, considering recommendations from these groups. They included a preferred alternative for most of the segments. For the Ballard Link Extension segments of interest to the Port, these are described below.

- **South Interbay Segment Preferred Alternative:** The Galer St Station/Central Interbay Alternative would continue the tunnel beneath lower Queen Anne to a tunnel portal on the east side of 5th Avenue West. From the tunnel portal, the alternative would become elevated and cross to the west side of Elliott Ave W and continue northwest. The guideway then would cross back to the east side of Elliott Ave W near W Mercer Place and would continue northwest between the east side of Elliott Ave W and Kinnear Park. North of Kinnear Park, the alignment would transition to the west side of Elliott Ave W to

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enter the Smith Cove Station, which would be elevated above the W Galer St bridge. From the Smith Cove Station, the elevated guideway would cross over the Magnolia Bridge and continue north along the east side of the BNSF Railway tracks to W Armory Way. It would then continue north along the western edge of the Interbay Golf Center and Athletic Complex. The elevated guideway would continue over W Dravus St and connect to the Elevated 14th Ave Alternative in the Interbay/Ballard segment. For this alternative to connect to the tunnel alternatives (Tunnel 14th Ave Alternative and Tunnel 15th Ave Station Option) in the Interbay/Ballard segment, it would transition from elevated to at-grade along the Interbay Athletic Complex to continue under W Dravus St.

- **Interbay/Ballard Segment Preferred Alternative:** The Elevated 14th Ave Alternative would cross over W Dravus St on an elevated guideway parallel to the BNSF tracks and curve northeast to the Interbay Station. The station would be just north of W Dravus St between the railroad tracks and 17th Ave W. The alternative would continue on an elevated guideway from the Interbay Station northeast over the Emerson St interchange and then curve north to cross Salmon Bay on a fixed-span bridge on the east side of the Ballard Bridge (15th Avenue Bridge). The alternative would continue north within the 14th Ave NW right of way before transitioning to the east edge of the road south of Northwest Market Street. The Ballard Station would be on the east side of 14th Ave NW, straddling NW Market St. Elevated tail tracks would extend north of the station along the east side of 14th Ave NW and would then curve west to end above the center of the roadway.

The Board also selected a **Preferred Alternative with Third Party Funding**. For this segment, the alternative replaces the fixed-span bridge with a tunnel under the Salmon Bay portion of the Lake Washington Ship Canal.

In August 2021, the Board adopted a Realignment Plan for projects not yet in construction. The COVID pandemic and related changes in economic forecasts had caused the Sound Transit Board to recognize and affordability gap due to steep rises in real estate and construction costs in the region. After 17 months of discussion and public engagement, the Board extended completion dates for the West Seattle Extension to 2032 and for the Ballard Extension to 2037 to Smith Cove, and a target of 2037 to Ballard (depending on improved funding) but budgeted by 2039.

### Current Status

The Sound Transit Board has published the DEIS which evaluates potential impacts and benefits of the alternatives on the natural and built environments and transportation system and identifies potential mitigation measures. It is available for review and public comment from January 28, 2022 to April 28, 2022. Port of Seattle staff are reviewing the document and will provide detailed comments in addition to executives' policy comments in a joint letter from the NW Seaport Alliance and the Port of Seattle.

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Through construction and subsequent operations, as outlined in the 2019 scoping comments, this project has the potential of impacting the following Port of Seattle and NWSA-managed facilities:

- Terminal 5
- Terminal 18
- Terminal 25 (east side of East Waterway, north of Spokane St)
- Terminals 30 (north of T-25)
- Terminals 102, 103 and 104 (south of Spokane St)
- Old Tsubota Steel site (near Magnolia Bridge)
- Interbay/Magnolia cruise and fishing terminals (Terminals 90 and 91)
- Fishermen’s Terminal

These extensions could significantly improve transportation in our region; however, given the route of the current representative alignment, there could be significant negative impacts to the region’s maritime and industrial sectors if key issues are not appropriately addressed.

After completion of the public comment period on April 28, the Board will identify the preferred alternatives for evaluation in the Final EIS (FEIS). The Board is not bound by its 2019 identification of a DEIS preferred alternative in the various segments. After completion of the FEIS, anticipated in 2023, and issuance of the Record of Decision by the Federal Transit Administration, the Board will make a final decision on the project to be built based on the alternatives evaluated in the EIS.

#### **ATTACHMENTS TO THIS BRIEFING**

- (1) 2019 West Seattle Ballard Link Extension Scoping Letter (April 2, 2019)
- (2) Presentation slides

#### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

July 2, 2020, the NWSA Managing Members approved a Partnering Agreement among Sound Transit (ST), the Port of Seattle (Port) and The Northwest Seaport Alliance (NWSA) for the West Seattle Ballard Link Extensions (WSBLE), GA 0089-20.

April 3, 2018, Sound Transit staff briefed the Managing Members on the West Seattle Ballard Link Extensions.

Staff provides regular Sound Transit updates to Managing Members.



April 2, 2019

Ms. Lauren Swift, Central Corridor Environmental Manager  
West Seattle Ballard Link Extensions Scoping  
401 S Jackson St  
Seattle WA 98104  
WSBScopingComments@SoundTransit.org

Re: West Seattle and Ballard Link Extensions Scoping

On behalf the Port of Seattle (Port) and Northwest Seaport Alliance (NWSA), thank you for the opportunity to provide scoping comments to begin the NEPA/SEPA environmental review.

In 1911, the Port of Seattle was authorized by the citizens of King County under Chapter 53 of the Revised Code of Washington to serve as a public port authority, charged with ensuring that Seattle's deep-water harbor is protected to serve as an economic engine for the region. In 2015, the ports of Seattle and Tacoma formed a marine cargo operating partnership, the NWSA. The Alliance is the fourth-largest container gateway in North America.

The Port and Alliance operate and maintain the more than \$1 billion in investments made into maritime and industrial operations, and work to protect the tens of thousands of family-wage jobs and \$4.0 billion in revenue that these sectors generate for the region and state. The Port and NWSA are assets of statewide significance, serving as critical gateways for the agricultural producers and manufacturers across Washington. These gateways cannot be replicated elsewhere and provide a crucial function in the resiliency of our state's economy. These facilities could be heavily impacted at the south, central, and north ends of the proposed alignments. No other single agency or entity is similarly impacted, and it is imperative that all efforts are made to avoid and/or mitigate adverse impacts to these crucial economic assets wherever possible.

As stated in our early scoping letter, we have three primary objectives for Sound Transit 3 projects:

1. Enhance service to Sea-Tac Airport for passengers and employees, from a web of cities throughout the region;
2. Strengthen access to Port facilities, both existing and future developments; and
3. Improve regional transportation for personal mobility, while protecting maritime and industrial land uses and freight mobility.

We appreciate Sound Transit's broad stakeholder engagement on the development of alternatives for extensions to West Seattle and Ballard, and the direct engagement of design and planning staff with agencies in the proposed alignments.

Sound Transit staff has worked closely with Port and NWSA staff to better understand and work towards addressing concerns near port terminals both during construction and during link light rail operations. Proposed routes, especially north of the Spokane Street corridor, have the potential to create significant negative impacts on cargo operations and water-dependent logistic functions, with resulting negative economic effects across several industries, far beyond the Seattle harbor and King County.

Particularly problematic, the expected impacts during the estimated five-year construction period could damage international container cargo operations and significantly contribute to truck and other traffic in the already congested Spokane Street corridor. We remain unconvinced that the potential effects, especially with a route north of the Spokane Street corridor, could be mitigated for the Port, the NWSA, and other maritime/industrial businesses. From our perspective, this is not sufficiently covered by the current approach to measuring the economic impacts of the project, yet it is essential in ensuring the continued economic viability of these businesses.

The accompanying document outlines the areas where a thorough review of proposed alignments is necessary to determine how they could impact the public benefit the Port and the NWSA are charged with providing.

### **West Seattle Segment**

- Spokane Street Corridor alignments could pose significant economic, environmental and operational impacts not only to Port and NWSA facilities, but to maritime industrial businesses that must have waterfront access to survive. Proposed alignments must ensure those facilities remain fully operational during and after construction, while ensuring access for trucks and rail serving those facilities. A crossing north of the Spokane Street must be given a thorough review to ensure that the cost estimates as well as impacts are accurately gauged.
- Please evaluate Duwamish crossing alignment slightly farther south than that considered in the representative alignment, across the far southern tip of Harbor Island, to determine if this alignment may present opportunities to further reduce impacts to existing businesses.

### **Interbay/Ballard Segment**

- Moveable bridges across the ship canal may have significant impacts on maritime mobility as well as transit, and the cost, operational, and environmental effects should be studied as part of the environmental review process.
- Smith Cove station location will have significant impacts to ridership, with the location on the west side of the corridor appearing to serve more developed land uses, and capturing potential riders from Port properties, including employees and cruise passengers.

Thank you for your invitation to the Port to serve as a Cooperating Agency and to the NWSA as a Participating Agency, roles we believe will further ongoing cooperation between our agencies. We have expressed our interest in entering into a partnership agreement to define roles and responsibility in how the agencies will work together on project planning and environmental documentation.

We ask that these impacts effects be fully vetted through the environmental review process, and that the Board designate a route alignment with a southern crossing of the Spokane Street corridor as the preferred alternative. Please reference our detailed scoping comments attached. Thank you for your consideration and we look forward to our continued involvement.

Sincerely,



Stephen P. Metruck  
Executive Director  
Port of Seattle



John Wolfe  
Chief Executive Officer  
Northwest Seaport Alliance

Attach A – Technical Comments  
Attach B – POS - Cooperating agency acceptance  
Attach C – NWSA - Participating agency acceptance  
Attach D – POS/NWSA Early Scoping comments, March 2018  
Attach E – POS/NWSA Level 2 comments Sept 2018



# ***West Seattle and Ballard Link Extensions***

*Port of Seattle  
Commission Meeting  
4/12/2022*



Item No. 11a\_supp  
Meeting Date: April 12, 2022

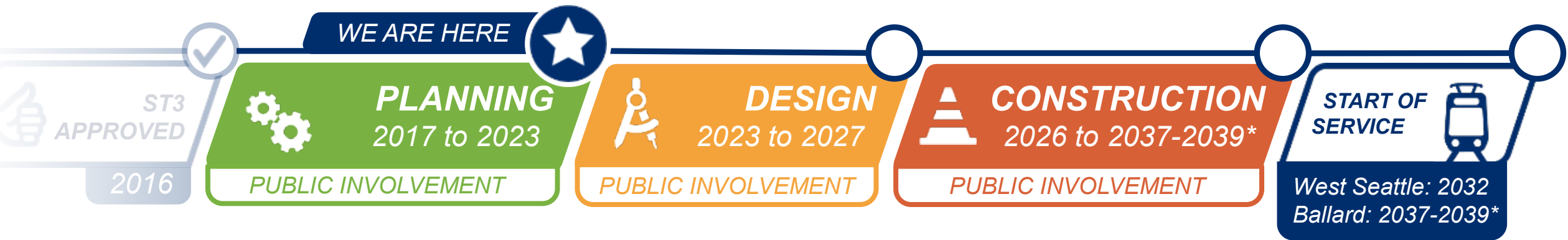


# *Agenda*

- West Seattle and Ballard Link Extensions Project Overview
- Draft EIS Results: South Interbay & Interbay Ballard segments
- Potential cost savings and refinements
- Q&A and Discussion
- Next steps

# West Seattle and Ballard Link Extensions

## Project timeline





ST3  
APPROVED

2016



# PLANNING



DES

**2017–2019**

## Alternatives development

- ✓ Feb–March 2018: Early scoping
- ✓ Feb–April 2019: Scoping
- ✓ May–Oct 2019: Board identified preferred alternatives and other DEIS alternatives



**2019–2023**

## Environmental review

**Early 2022: Publish Draft EIS**

Public comment period

Board confirms or modifies preferred alternatives

**2023: Publish Final EIS**

Board selects projects to be built

Federal Record of Decision

*PUBLIC INVOLVEMENT*

# Draft EIS alternatives

## What we're studying in this phase

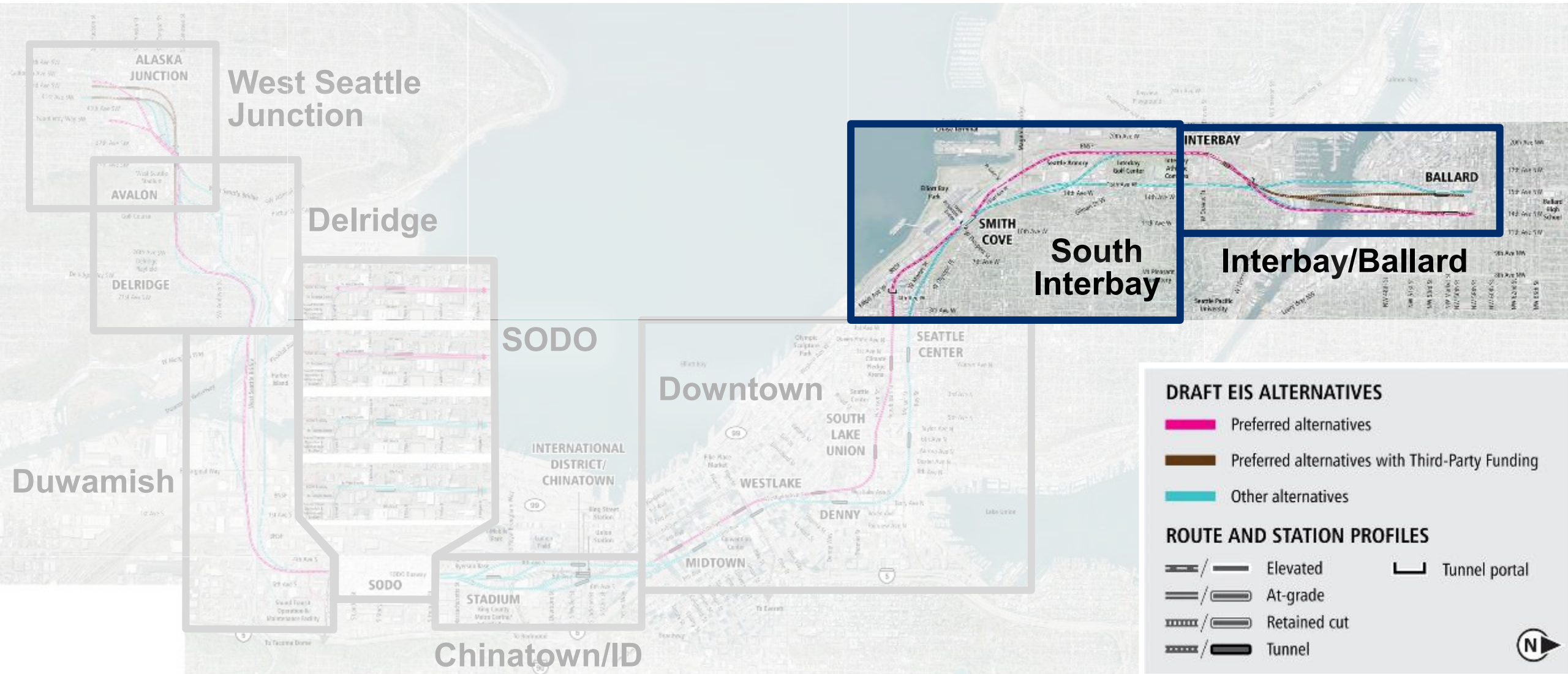


- Preferred Alternatives
- Preferred Alternatives with Third-Party Funding
- Other Draft EIS alternatives

\*Dates reflect an affordable schedule based on current financial projections and cost estimates, and a target schedule.

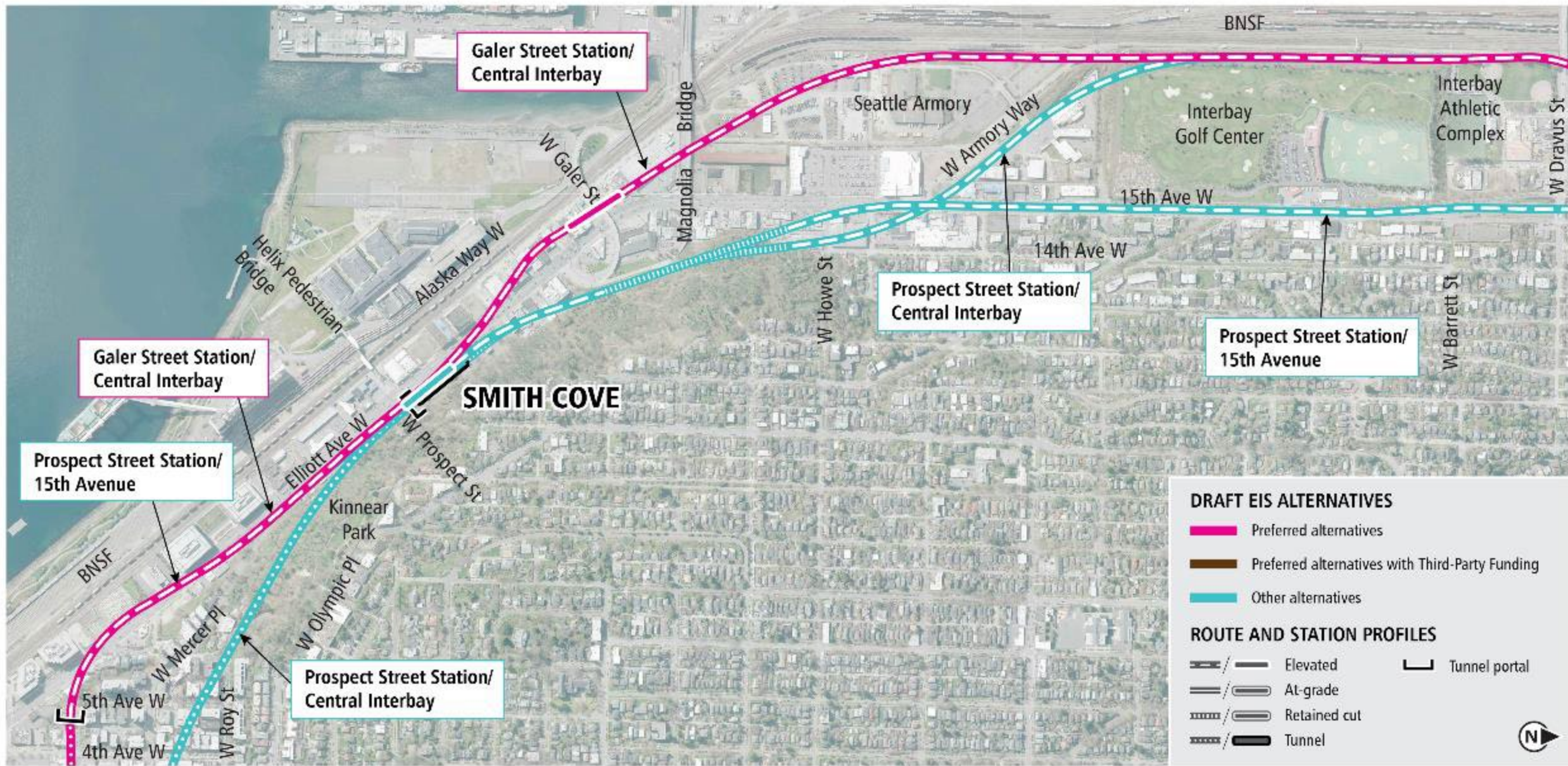


# Draft EIS alternatives



# *South Interbay*







## Galer Street Station/ Central Interbay

Project cost  
(2019\$ in billions) **\$1.3B**

Residential  
displacements **174 units**

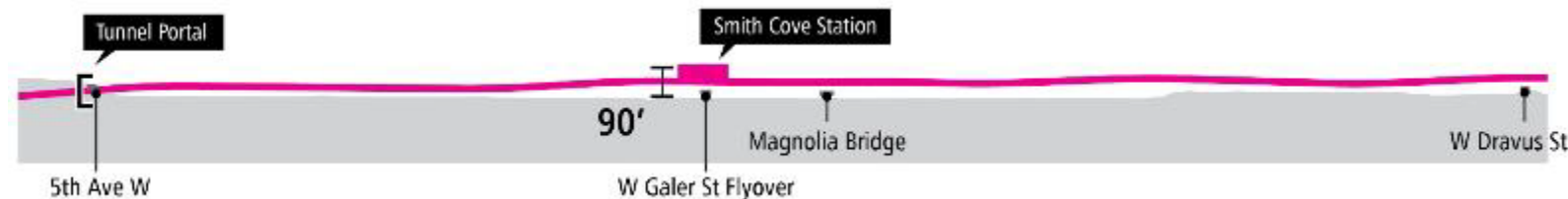
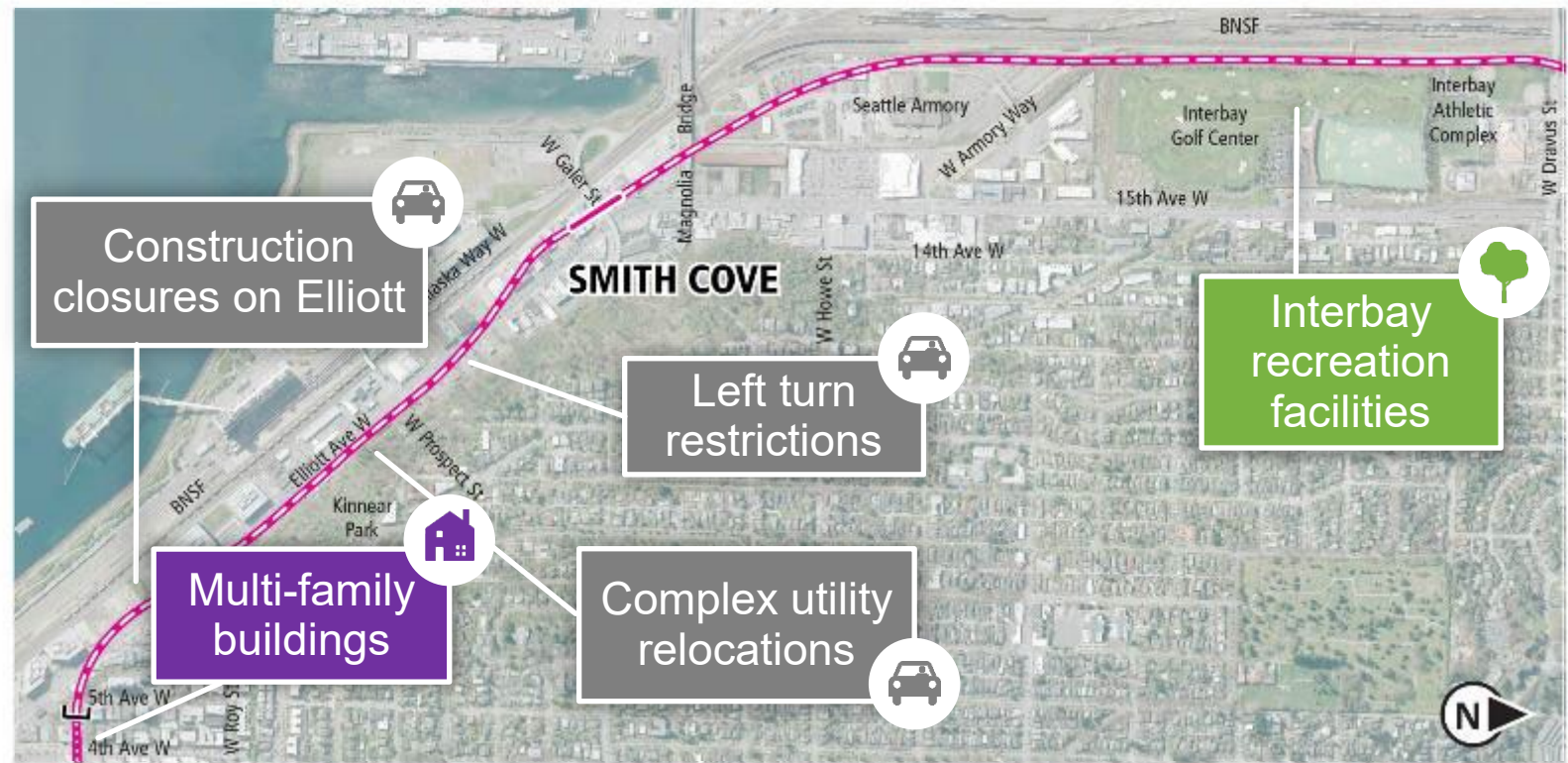
Historic property  
effects **7 properties**

Park effects  
(permanent) **3.1 acres**

Biodiversity effects  
(permanent) **<0.1 acre**

Roadway effects  
(Guideway) **0.4 mile**

Other considerations



Diagrams are not to scale and all measurements are approximate.  
The above information is for illustration only. Please refer to DEIS for further detail.

## Prospect Street Station/ 15<sup>th</sup> Avenue

**Project cost**  
(2019\$ in billions) **\$1.4-1.5B**

**Residential  
displacements** **123 units**

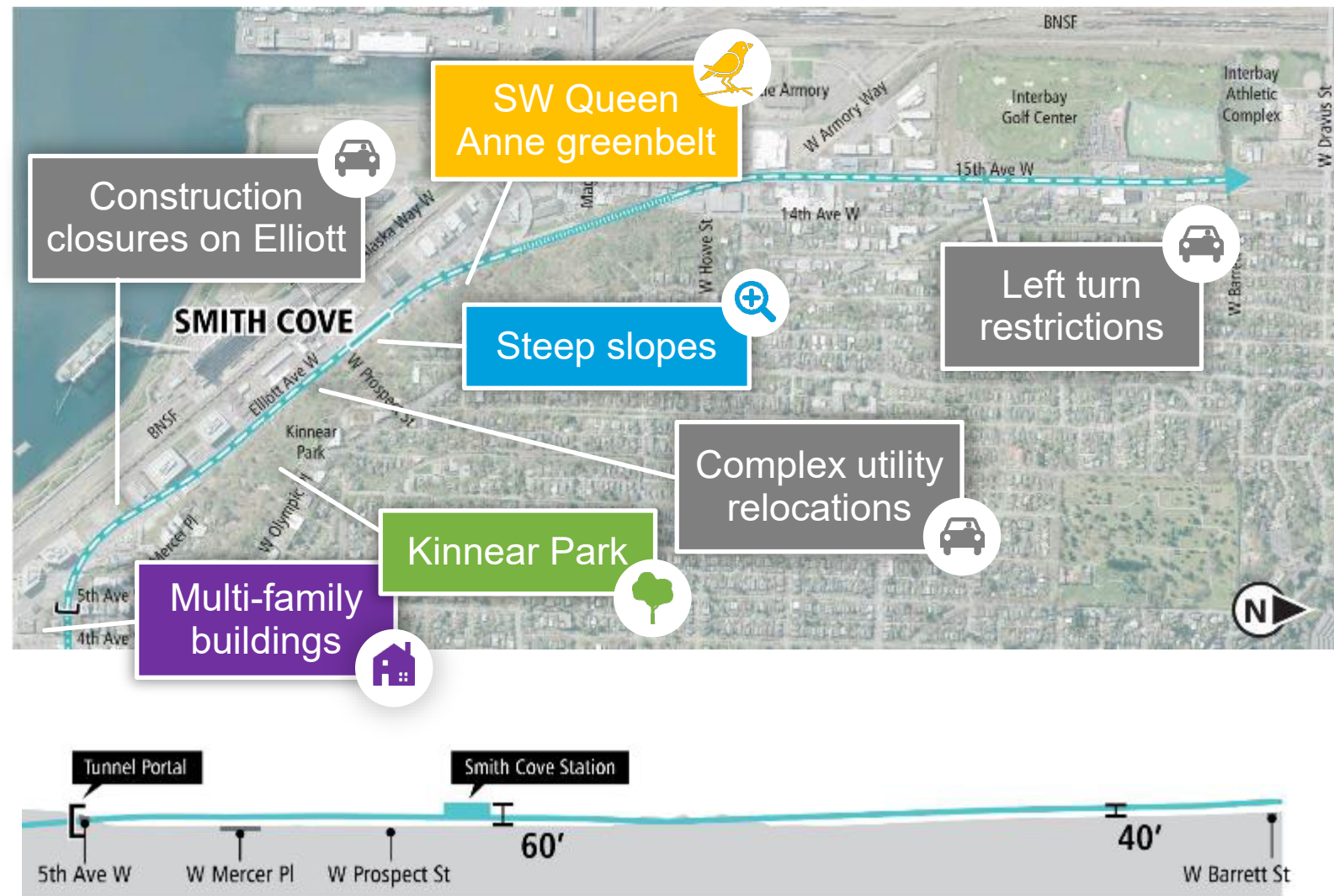
**Historic property  
effects** **8 properties**

**Park effects  
(permanent)** **0.7 acres**

**Biodiversity effects  
(permanent)** **3.8 acres**

**Roadway effects  
(Guideway)** **1.0 mile**

**Other considerations**



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The above information is for illustration only. Please refer to DEIS for further detail.*



## Prospect Street Station/ Central Interbay

Project cost  
(2019\$ in billions) **\$1.5-1.6B**

Residential  
displacements **5 units**

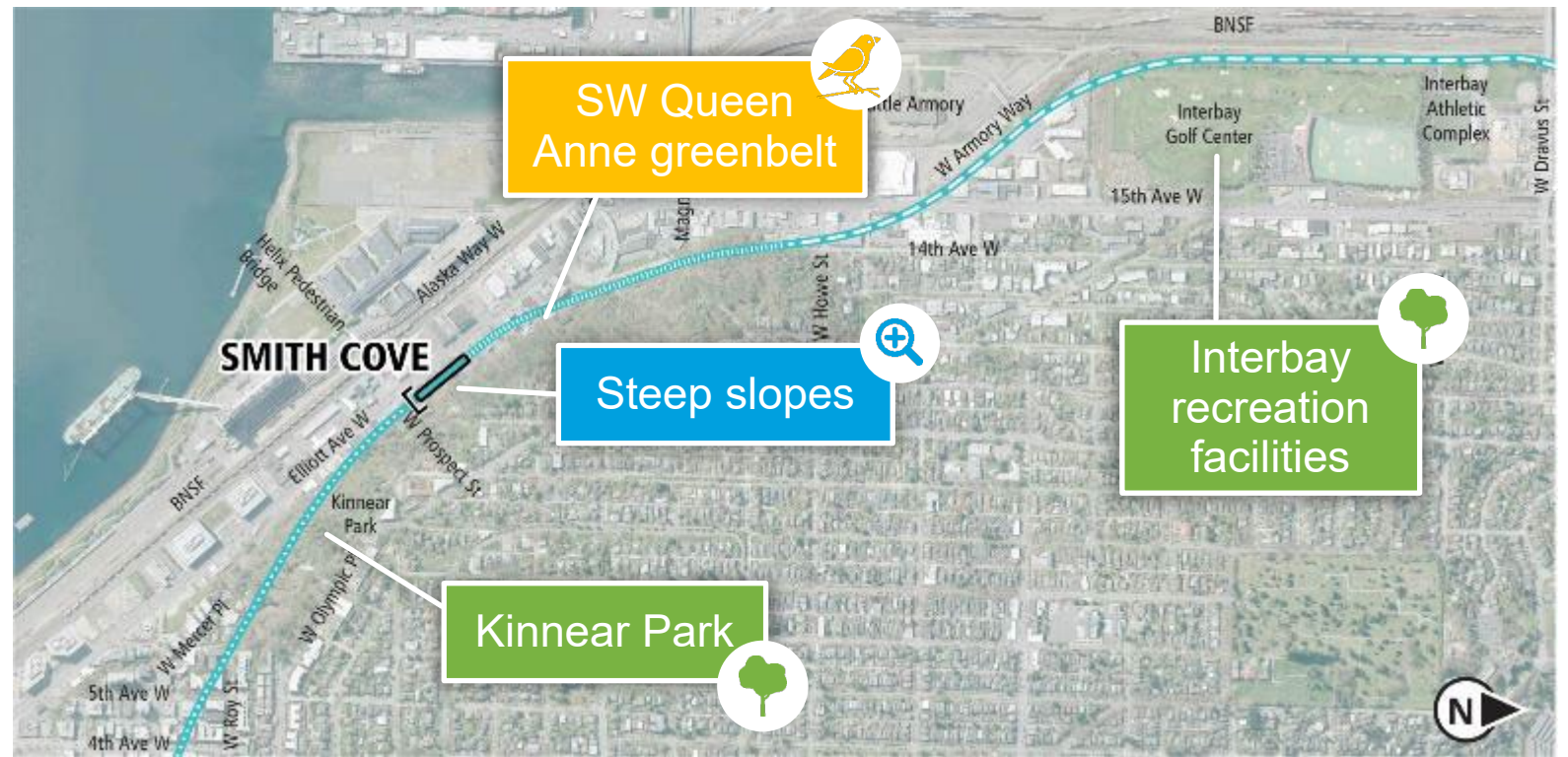
Historic property  
effects **2 properties**

Park effects  
(permanent) **4.0 acres**

Biodiversity effects  
(permanent) **5.5 acres**

Roadway effects  
(Guideway) **0.1 mile**

Other considerations



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	Galer Street Station/ Central Interbay	Prospect Street Station/ 15th Avenue	Prospect Street Station/ Central Interbay
<b>Project cost</b>  (2019\$ in billions)	\$1.3B	\$1.4-1.5B	\$1.5-1.6B
<b>Residential displacements</b> 	174 units	123 units	5 units
<b>Historic properties effects</b> 	7	8	2
<b>Park effects</b>  (Permanent)	3.1 acres	0.7 acres	4.0 acres
<b>Biodiversity effects</b>  (Permanent)	<0.1 acre	3.8 acres	5.5 acres
<b>Roadway effects</b>  (Guideway)	0.4 mile	1.0 mile	0.1 mile
<b>Other considerations</b> 	Queen Anne hillside steep slopes		Queen Anne hillside steep slopes

The above information is for illustration only. Please refer to DEIS for further detail.

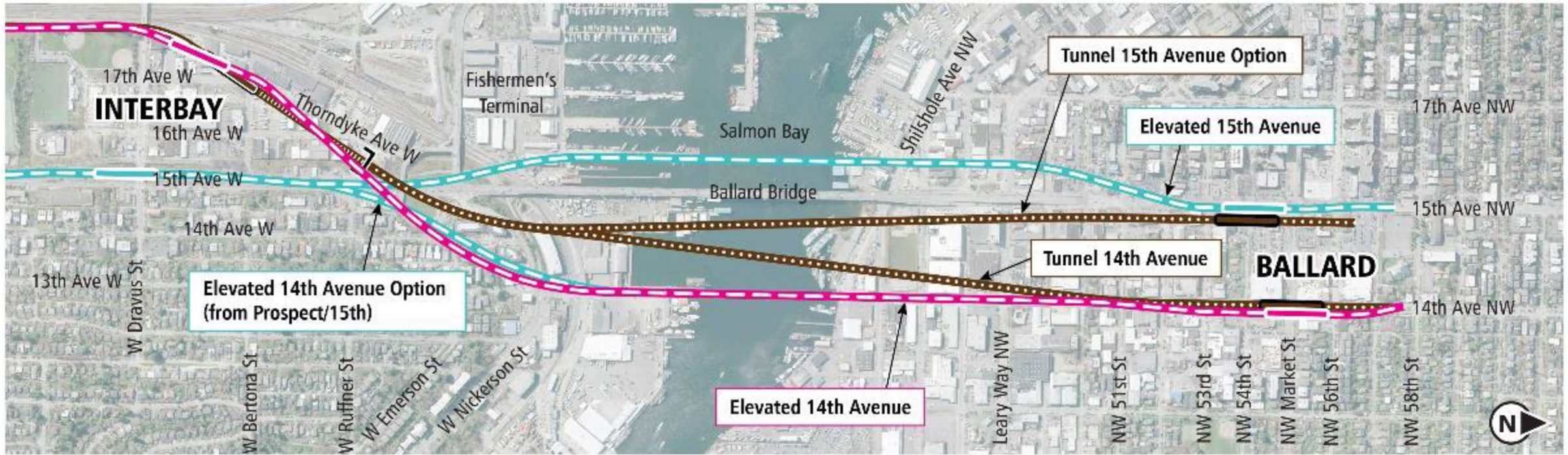
Performance



Lower performing ←→ Higher performing

# *Interbay Ballard*





#### DRAFT EIS ALTERNATIVES

- Preferred alternatives
- Preferred alternatives with Third-Party Funding
- Other alternatives

#### ROUTE AND STATION PROFILES

- / — Elevated
- / — At-grade
- / — Retained cut
- / — Tunnel
- Tunnel portal





## Elevated 14th Avenue

**Project cost**  
(2019\$ in billions) **\$1.5-1.6B**

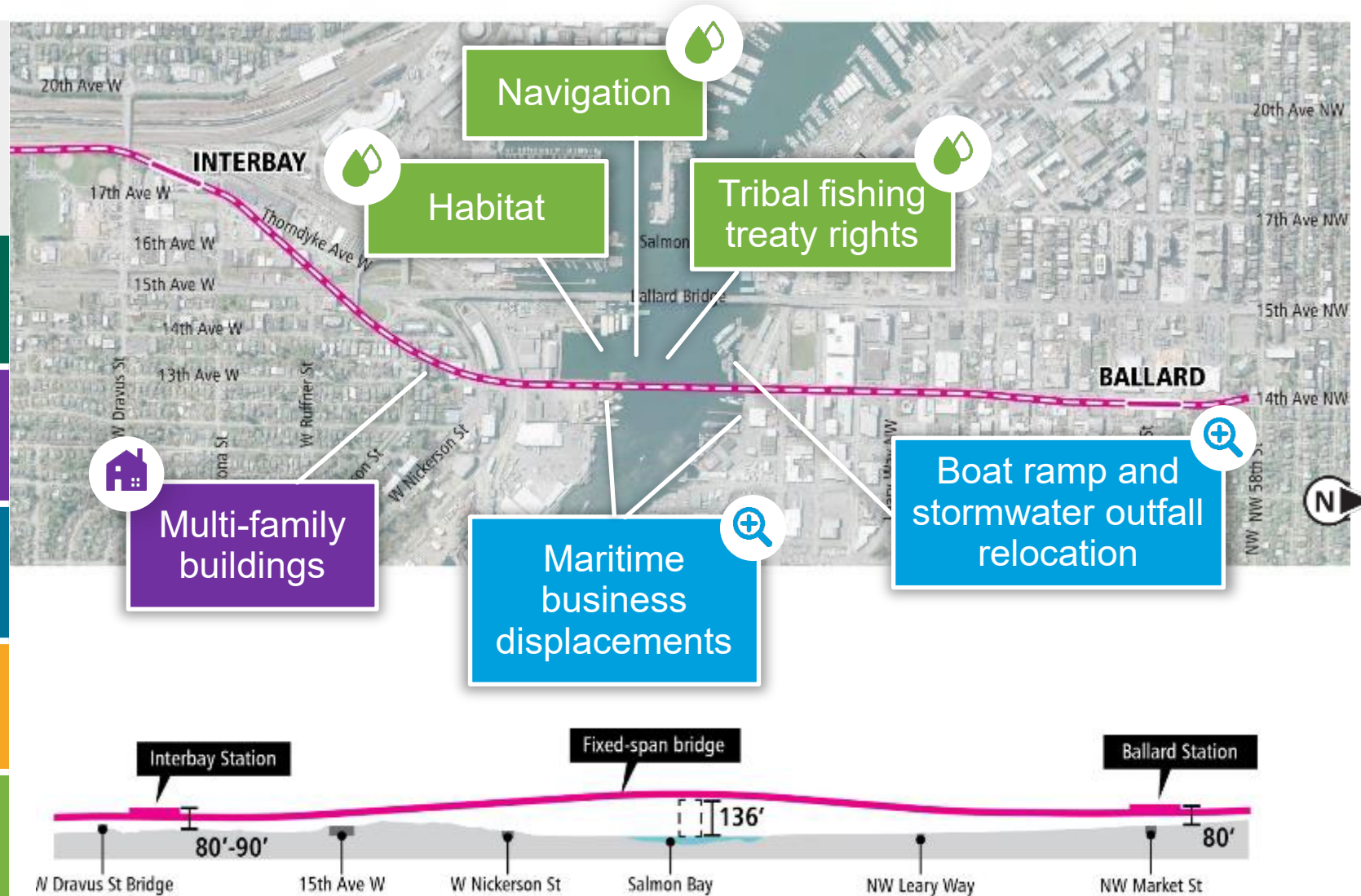
**Residential displacements** **105 units**

**Historic property effects** **7 properties**

**Employee displacements** **610**

**In-water effects (Permanent)** **1.2 acre**

**Other considerations**



*Diagrams are not to scale and all measurements are approximate.  
The above information is for illustration only. Please refer to DEIS for further detail.*

# Tunnel 14th Avenue

Project cost  
(2019\$ in billions) **\$1.5B**

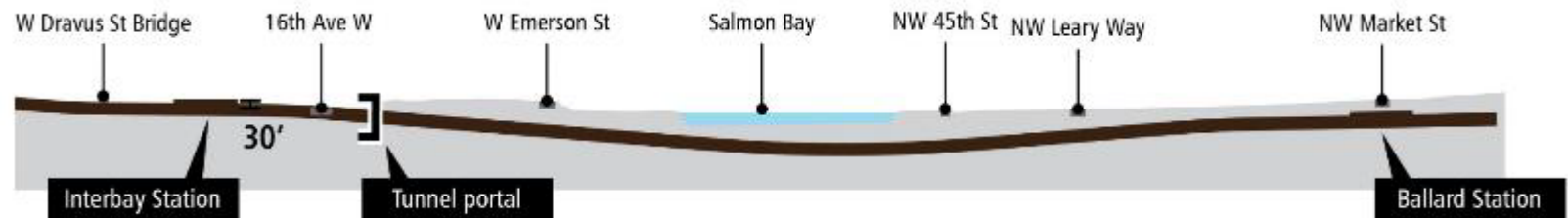
Residential  
displacements **14 units**

Historic property  
effects **4 properties**

Employee  
displacements **380**

In-water effects  
(Permanent) **none**

Other considerations 



*Diagrams are not to scale and all measurements are approximate.  
The above information is for illustration only. Please refer to DEIS for further detail.*



# Tunnel 15th Avenue Station Option

**Project cost**  
(2019\$ in billions) **\$1.7B**

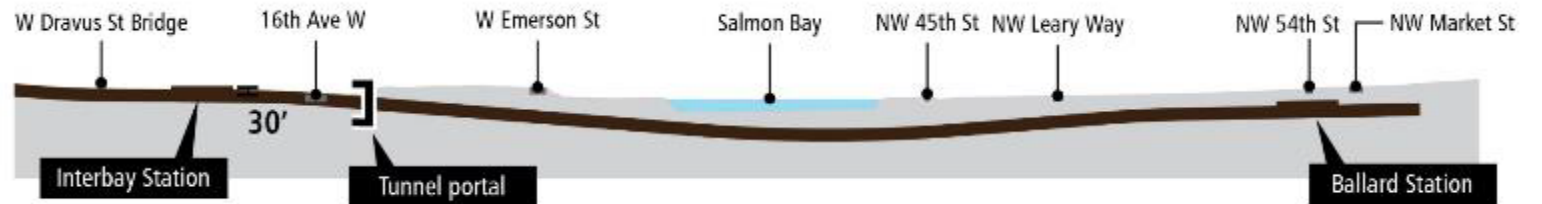
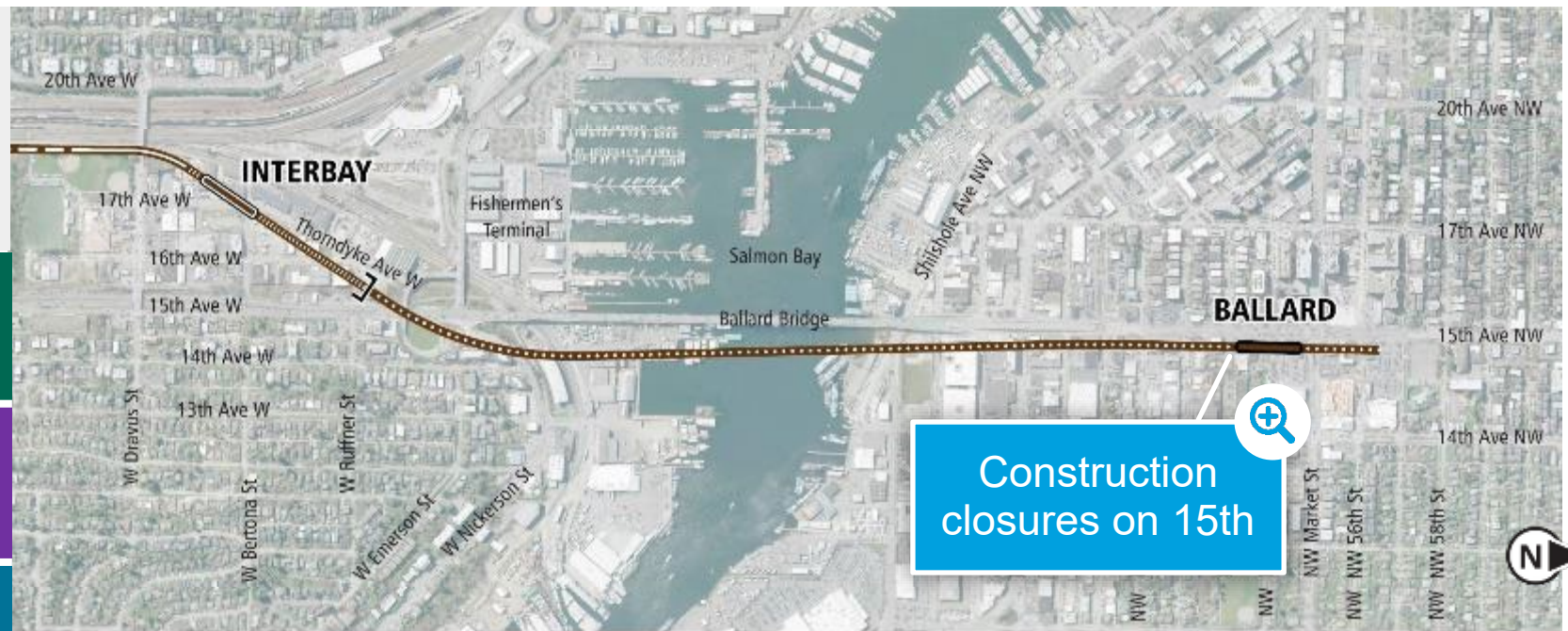
**Residential displacements** **21 units**

**Historic property effects** **3 properties**

**Employee displacements** **370**

**In-water effects**  
(Permanent) **none**

**Other considerations**



*Diagrams are not to scale and all measurements are approximate.  
The above information is for illustration only. Please refer to DEIS for further detail.*

## Elevated 14th Avenue Option (from Prospect/15th)

**Project cost**  
(2019\$ in billions)  **\$1.6B**

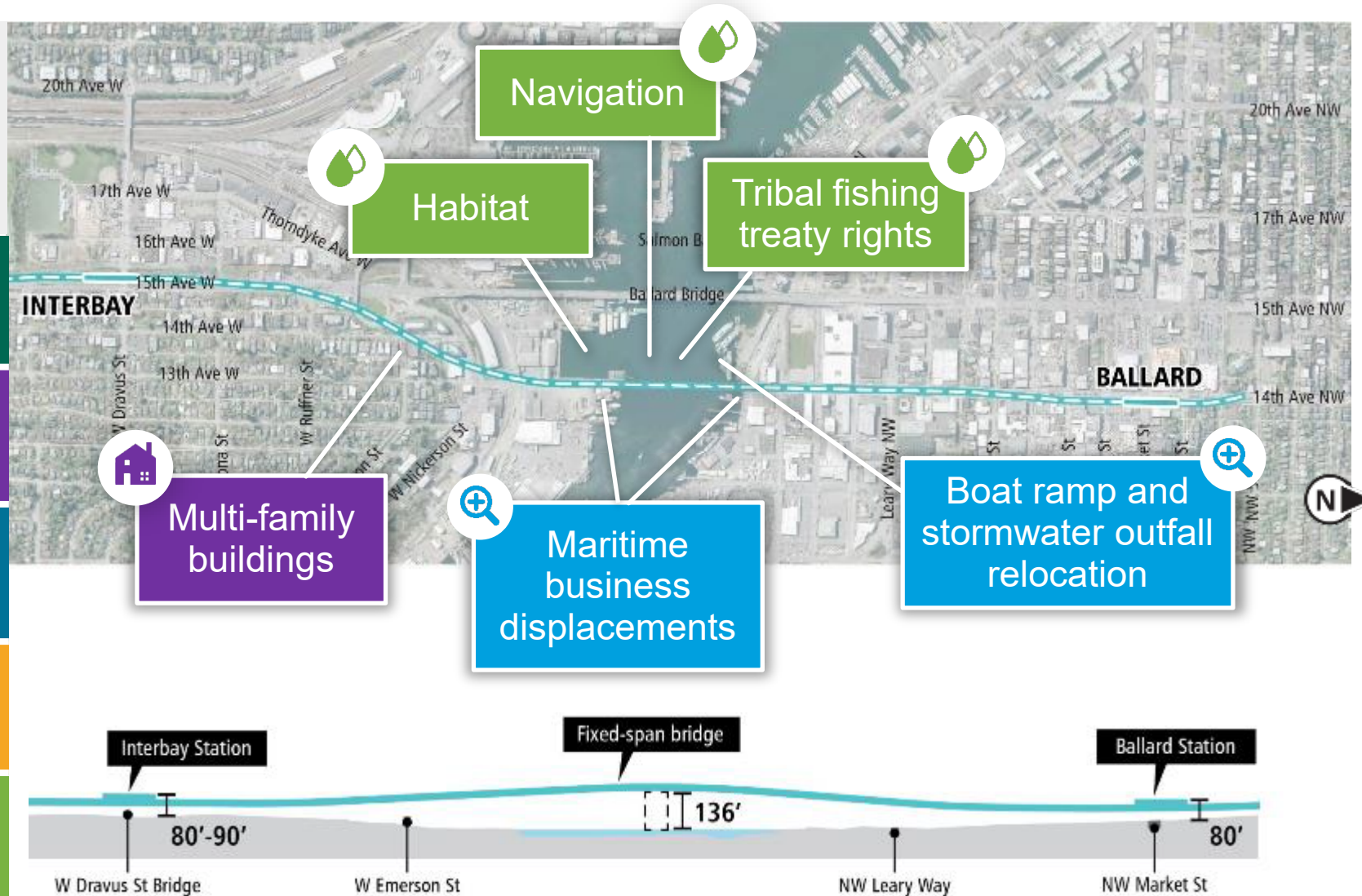
**Residential  
displacements**  **151 units**

**Historic property effects**  **7 properties**

**Employee  
displacements**  **400**

**In-water effects**  
(Permanent)  **1.2 acre**

## Other considerations



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The above information is for illustration only. Please refer to DEIS for further detail.*



## Elevated 15th Avenue

Project cost  
(2019\$ in billions) **\$1.5B**

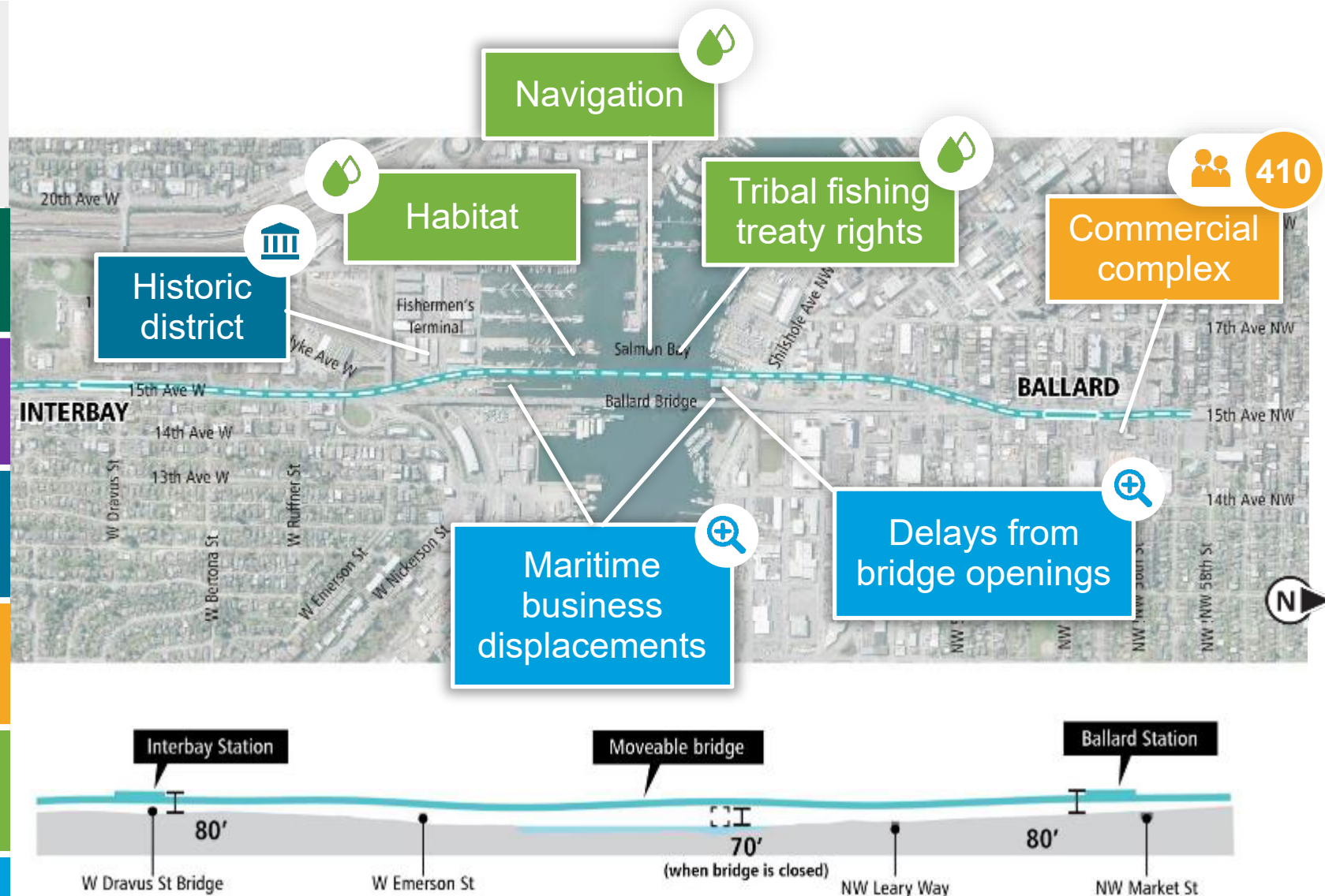
Residential  
displacements **25 units**

Historic property  
effects **10 properties**







Employee  
displacements **620**

In-water effects  
(Permanent) **0.8 acre**

Other considerations

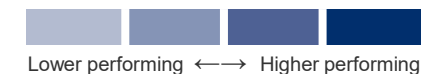


Diagrams are not to scale and all measurements are approximate.  
The above information is for illustration only. Please refer to DEIS for further detail.

	Elevated 14th Avenue	Tunnel 14th Avenue	Tunnel 15th Avenue Option	Elevated 14th Avenue Option (from Prospect/15th)	Elevated 15th Avenue
<b>Project cost</b> (2019\$ in billions) 	\$1.5-1.6B	\$1.5B	\$1.7B	\$1.6B	\$1.5B
<b>Residential displacements</b> 	105 units	14 units	21 units	151 units	25 units
<b>Historic property effects</b> 	7	4	3	7	10
<b>Employee displacements</b> 	610	380	370	400	620
<b>In-water effects</b> (Permanent) 	1.2 acre	none	none	1.2 acre	0.8 acre
<b>Other considerations</b> 	Maritime business displacements  Boat ramp and stormwater outfall relocation		Construction closures on 15th	Maritime business displacements  Boat ramp and stormwater outfall relocation	Maritime business displacements  Delays from bridge opening

The above information is for illustration only. Please refer to DEIS for further detail.

Performance



# *Context for looking at cost savings*

- In response to steep rise in **real estate** and **construction** costs, Board adopted a realignment plan in August 2021

# *Realignment plan*

- Board identified affordable program schedule, as well as **affordability gaps** to **target schedules**
  - WSBLE has an estimated project-level affordability gap of \$1.8B, based on current financial projections and cost estimates
  - Smith Cove to Ballard: Target delivery 2037; affordable delivery 2039
- Includes Board direction to intensively pursue additional financial capacity and identify **opportunities to reduce cost**

# *Work purpose and limitations*

- Initial assessment of **feasibility** and **potential cost savings**
- Based on limited engineering design
- Would require **further study** of environmental, passenger experience and other implications

# ***Cost savings and refinements***

## Cost savings

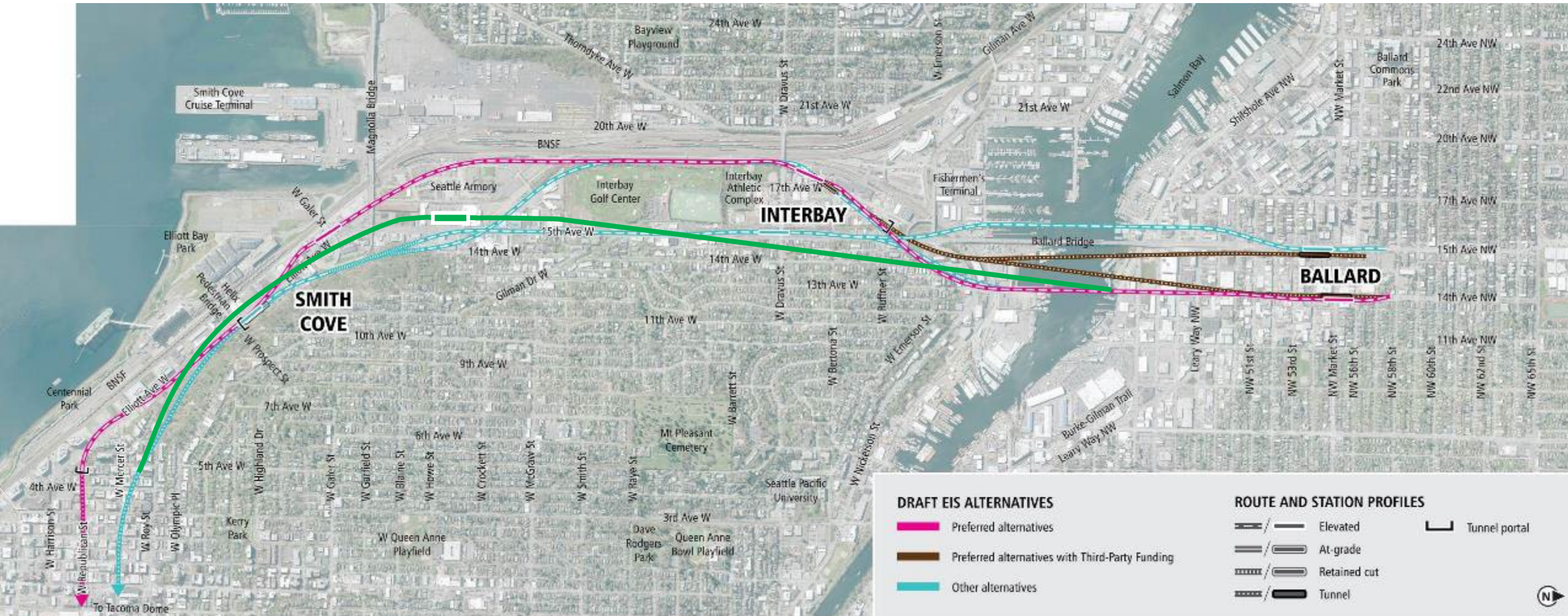
- Potentially help address **affordability gap**

## Other refinements

- Potentially address **other risks or opportunities**

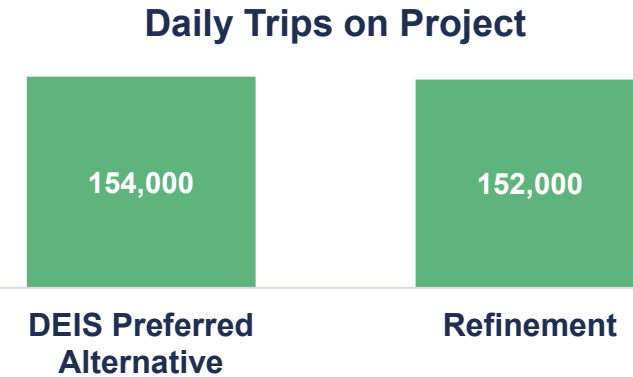


# Potential refinement concept: Consolidate Smith Cove and Interbay stations



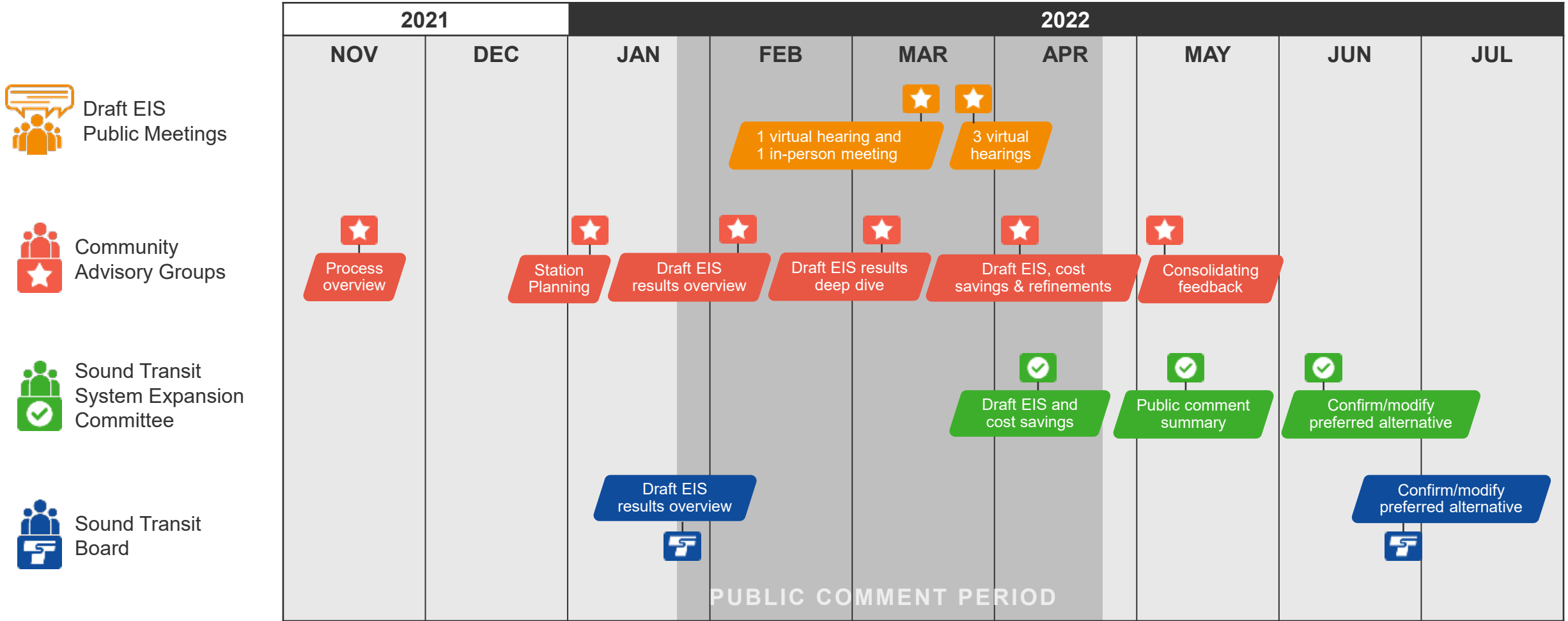


# Potential refinement concept: Consolidate Smith Cove and Interbay stations



# ***Community engagement and collaboration***

## ***Draft Environmental Impact Statement (EIS)***



 *wsblink.participate.online*



# Primary Port Objectives

1. Improve regional transportation for personal mobility, while protecting maritime and industrial land uses and freight mobility;
2. Strengthen access to POS/NWSA facilities, both existing and future developments;
3. Enhance service to Seattle-Tacoma International Airport for passengers and employees, from a web of cities throughout the region.

# DEIS Review – Early Themes

## Overarching Issues

Environmental Justice, Climate, Safety  
Construction

## Duwamish Segment

Northern alignment greater impact on marine terminal operations  
Southern alignment impacts on Terminal 102, 103, 104  
Freight access impacts  
Environmental habitat at Terminal 25

## Ballard/Interbay/Ship Canal Crossing

Interbay: Traffic circulation and access, ridership

Ship Canal Crossing

- Tunnel: fewer impacts
- Aerial: access on land, navigation on water; business acquisitions and displacements

# Primary Port Objectives

Apr 5 – Sound Transit & Port/NWSA staff:

Overview & Duwamish Crossing to NWSA Managing Members

Apr 12 – Sound Transit & Port staff:

Ballard/Interbay to POS Commissioners

Apr 18 - Executive/Elected Officials review draft letters

Apr 28 - Comments and policy letter due to Sound Transit

Jun '22 - Sound Transit Board confirms or refines preferred alternative

2023 - Sound Transit publishes Final EIS

[RETURN TO AGENDA](#)

**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 11b

**BRIEFING ITEM**

**Date of Meeting** April 12, 2022

**DATE:** April 6, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Dave McFadden, Managing Director, Economic Development Division  
Mian Rice, Director of Diversity in Contracting

**SUBJECT: Diversity in Contracting Annual Report**

**EXECUTIVE SUMMARY**

The Diversity in Contracting Annual Report to the Commission provides the Port's division/department 2021 Woman and Minority Business Enterprise (WMBE) results, 2022 future department/division WMBE goals, and affirmative efforts to assure equality of contracting opportunities.

2021 was the third full year of the Diversity in Contracting program operations. Port divisions and departments established 2021 WMBE utilization goals. The Port of Seattle established a 16 percent WMBE utilization goal for 2021. This goal did not include construction projects where utilization goals are established on a project-by-project basis.

Despite 2021's economic challenges, the Port continued to make great strides surpassing 2020's results in achieving a Port-wide WMBE utilization goal of 12.1% for 2021. In addition, the Port continues to make strides towards reaching its five-year goal of tripling the number of WMBE businesses working with the Port (344 WMBE firms vs five-year goal of 354 firms), by the year 2023.

On an annual basis, the Port starts from zero in its tracking of firms utilized and percent achievements. As the Port continues to grow in its WMBE utilization, staff is continuing its positive steps to achieve the goals set forth by the Commission, including the continued focus on eliminating specific disparities in utilization for certain ethnic groups and women.

**BACKGROUND AND GOALS**

On January 9, 2018, the Port Commissioners adopted a new Diversity in Contracting (DC) policy directive with a supporting Resolution 3737, that drives equity in Port contracting. The policy was developed over the years of 2016-2017, using 2016 as the baseline for what was eventually passed.

The purpose of this policy directive is to provide the maximum practicable opportunity for increased participation by minority and women owned and controlled businesses in Port contracting for public



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works, consulting services, supplies, materials, equipment, and other services to create the opportunity to leverage Port spending to increase WMBE utilization.

As part of the Diversity in Contracting policy directive, the Port Commission established utilization goals for both the amount of contracting dollars paid to WMBE firms as well as the number of WMBE firms under contract to the Port using 2016 baseline utilization results:

#### FIVE-YEAR GOALS

- 1) Triple the number of WMBE firms that contract with the Port, and
- 2) Increase to **15%** the percentage of dollars spent on WMBE contracts

This new policy also directs the establishment of:

- Executive level accountability that drives performance across the Port
- Port-wide goal setting and reporting processes, requiring Divisions/Departments to establish Annual WMBE Plans that set aspirational goals and performance targets
- Clear lines of responsibility and accountability for implementation with designated WMBE liaisons for each division
- Enhanced compliance and tracking of key performance objectives and incorporation of WMBE goals into the Port's Long-Range Plan
- Categories of contracts where inclusion plans, and other tools will be used
- Implementation and monitoring procedures to ensure prompt payment and change order processes
- Expanded technical assistance for WMBE firms, coordination with external partners, and support for internal training to Port staff

#### 2021 RESULTS

Last year was the third year of the DC policy/program implementation.

Per the DC policy directive, every division/department sets WMBE aspirational goals prior to the beginning of the year, the 2020 total percentage was 16%. The table below illustrates by division the 2021 WMBE results for non-construction procurements which includes P-Card spend. The Port did not meet its 2021 non-construction goal of 16%. Although the target was missed, the Port invested over \$26 million in WMBE firms for an overall utilization rate of 16.1%. The table below reflects the dollars in 2021 driven to WMBE businesses broken down by Division:

2021 Non-Construction Utilization	2021 Goal %	Total Port Spend	WMBE Spend	WMBE % 2021
Division				
Aviation (AV)	16%	\$144,653,626	\$17,734,128	12.3%
Corporate	18%	\$26,903,881	\$4,116,780	15.3%
Economic Development Division (EDD)	13%	\$3,280,584	\$518,484	15.8%
Maritime Division (MD)	15%	\$25,124,214	\$3,467,059	13.8%

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Northwest Seaport Alliance (NWSA)	N/A	\$4,447,881	\$533,951	12.0%
P-Card Unclassified	N/A	\$165,811	\$13,400	
Total		\$204,575,997	\$26,383,802	<b>13.84%</b>

*The Port of Seattle's Annual Divisional Goals are established on "non-Construction" spend in the Outside Service budgets*

Since the program launch, DC staff have established WMBE aspirational goals for Construction on a project-by-project basis. The table below illustrates the WMBE results on Construction per division for 2021, with a total WMBE utilization rate of 11.5%:

<b>*2021 Construction</b>	<b>Total Port Spend</b>	<b>WMBE Spend</b>	<b>WMBE %</b>
Division			
Aviation (AV)	\$246,986,105	\$29,037,487	11.8%
Corporate	\$87,335	\$6,967	8%
Economic Development Division (EDD)	\$2,898,163	\$135	0%
Maritime Division (MD)	\$12,297,524	\$1,173,022	9.5%
North West Seaport Alliance (NWSA)	\$7,105,022	\$62,853,857	11.3%
Total	\$37,322,803	\$325,178,389	<b>11.5%</b>

*\*WMBE Aspirational Goals for Construction are set project-by-project*

The table below shows the final Port-wide WMBE attainment for 2021 per division/department, with a combined WMBE total (construction and non-construction) of 12.1%. The table also includes the number (344) of WMBE businesses utilized.

<b>2021 Total Port (Non-Construction &amp; Construction Combined)</b>	<b>Total Port Spend</b>	<b>WMBE Spend</b>	<b>WMBE %</b>
Division			
Aviation (AV)	\$391,639,731	46,771,614	11.9%
Corporate	\$27,046,620	\$4,123,748	15.2%
Economic Development Division (EDD)	\$5,660,128	\$518,484	8.4%
Maritime Division (MD)	\$32,781,657	\$4,640,082	12.4%
North West Seaport Alliance (NWSA)	\$4,447,881	\$533,951	12.0%
P-Card Unclassified	\$165,811	\$13,400	0.0%
Total (Percent)	\$530,738,524	\$64,069,018	<b>12.1%</b>
Total Number of WMBE Firms Utilized	-	-	<b>344</b>

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The table below illustrates the annual progression of the Port's WMBE percentages and number of firms utilized for that given year.

<b>WMBE Utilization</b>	<b>2016</b>	<b>2017</b>	<b>2018*</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Percentage</b>	5.3%	8.8%	8.9%	10%	10.9%	12.1%
<b>Number of Firms</b>	118	200	258	296	325	344

*\*Diversity in Contracting program launch*

## 2022 DIVISION/DEPARTMENT GOALS

The table below provides the 2022 WMBE aspirational percent goals per division/departments with a combined total goal of 15% utilization for non-construction procurements on outside services.

### Non-Construction

<b>Division</b>	<b>Projected Total Outside Services Spend</b>	<b>2021 WMBE Projected Spend</b>	<b>2021 WMBE Goal</b>
Aviation Division (AV)	\$133,865,506	\$20,079,826	15%
Corporate	\$33,966,564	\$4,755,319	14%
Economic Development Division (EDD)	\$5,259,683	\$736,356	14%
Maritime Division (MD)	\$6,613,343	\$1,058,135	16%
<b>Total</b>	<b>\$179,705,097</b>	<b>\$26,629,635</b>	<b>15%</b>

### Construction Annual WMBE Goal

For the first time, the Port is establishing an initial construction WMBE goal. For 2022, the established WMBE goal is **12.5%**. This initial goal was established by utilizing the 2021 construction WMBE results, plus one percent.

### Issues/Challenges

Under the Diversity in Contracting (DC) Policy Directive, the Port's divisional efforts in setting annual 'non-construction' percent goals have been successful. The percent utilization of WMBE firms continues to be a positive influence. This includes the number (#) of WMBE firms utilized, which in 2021 was 344 firms. By the year 2023, the Port's five-year goal is a utilization of 354 WMBE firms. On an annual basis, the Port starts at zero in its quest to achieve its 5-year WMBE goals.

However, under Washington State's construction bidding laws and policies, in conjunction with the State's anti-affirmative action clauses, government entities have far less control over WMBE utilization on low-bid lump sum procurements. As a result, WMBE participation might be impacted regardless of their overall availability to work on Port projects.

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The Port currently sets WMBE aspirational goals on a project-by-project basis, based upon project scope and WMBE availability. We have been averaging between eight to ten percent on our construction projects thus far. These averages will need to increase in order to achieve the set DC goals.

The Port has made tremendous progress increasing the utilization of WMBE businesses. We are heading the right direction; however, we may fall short of hitting the Port's five-year goal of 15 percent utilization by the end of 2023, which is the final year of the established 5-year goal cycle.

**Recommendations**

The Port continue to set WMBE Divisional goals but explore expanded ways to improve upon the Construction utilization of WMBE firms. This would be done by:

- Leveraging more alternative delivery methods like Design/Build (D/B) or General Contractor/Construction Management (GC/CM) procurements. Alternative delivery methods such as these may allow Port staff to continue to push the construction contracting limits to not only achieve, but perhaps exceed project WMBE goals.
- Evaluate chances for unbundling of projects
- Further breakdown project scopes of work
- Better tie-in's with PortGen training participants within the consulting and A&E contracts
- Continue to outreach and conduct workshops/trainings
- Continued partnerships with community and trade organizations
- Continued partnerships with Primes

The Port is conducting a study to identify barriers to WMBE utilization which can also help identify additional policy or program refinements that will help the Port achieve its current and future Diversity in Contracting policy goals.

**ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

April 13, 2021 – Diversity in Contracting Annual Report

March 26, 2019 – Diversity in Contracting Annual Report

June 12, 2018 – Commission briefing on Diversity in Contracting program development

January 8, 2018 – Diversity in Contracting 2<sup>nd</sup> reading policy & passage of resolution 3737

December 19, 2017 – Diversity in Contracting Policy Review

December 12, 2017 - Women and Minority Business Enterprise Policy Review – Resolution 3737 (first reading)

December 5, 2017 - Women and Minority Business Enterprise Policy Review

November 28, 2017 –Women and Minority Business Enterprise Policy Review

October 24, 2017 - Women and Minority Business Enterprise Policy Review

July 12, 2017 – Commission Budget Priorities, Building Economic Opportunity in underserved Communities

March 28, 2017 – Small Business Development Update

Meeting Date: April 12, 2022

March 22, 2016 – Small Business Utilization briefing

December 14, 2014 – Disparity Study briefing

August 19, 2014 – Small Business Utilization briefing

January 26, 2010 – Adoption of Resolution No. 3618 concerning small business utilization

# Diversity in Contracting 2021 Annual Report



Dave McFadden, Managing Director, Economic Development  
Mian Rice, Director, Diversity in Contracting  
Lawrence Coleman, WMBE Manager, Diversity in Contracting

April 12, 2022



- Policy Directive
- 2021 Diversity in Contracting (DC) WMBE Results
- What's in the Numbers
- DC Program Activities
- 2022 Goals
- Moving Forward

**Advance equity and address contracting disparities by increasing the utilization of Women Minority Business Enterprises and other disadvantaged firms**

## **Five-year Policy Benchmarks:**

- ☐ Increase to 15% the amount of spend on WMBE contracts within 5 years (Baseline: **5.3%**)
- ☐ Triple the number of WMBE firms doing business with the Port (Baseline: **118**) (Goal is **354**)



# 2021 Port-wide WMBE Utilization

Category	Total Port Spend	Total WMBE Spend	WMBE Utilization
Public Works (Construction)	325,178,389	37,322,803	11.5%
Non-Construction	205,560,136	26,746,215	13.0%
<b>Total</b>	<b>64,069,018</b>	<b>466,669,509</b>	<b>12.1%</b>

**WMBE Utilization improved from 10.9% to 12.1% in 2021**

# Port-wide WMBE Utilization (Last 6 Years)

WMBE Utilization	2016	2017	2018 (Program Start)	2019	2020	2021
Percent Utilization	<b>5.30%</b>	8.80%	8.90%	10.0%	10.90%	12.1%
Number of Firms	<b>118</b>	200	258	296	318	344

# 2021 WMBE Utilization– WMBE Breakout

WMBE Type	WMBE Spend	Percent of Port Spend	Companies
Minority Men	\$39,220,338	7.4%	139
Minority Women	\$3,447,152	0.6%	47
Minority Men & Women	\$42,667,490	8.0%	186
Caucasian Women	\$21,401,528	4.0%	158
<b>WMBE</b>	<b>\$64,069,018</b>	<b>12.0%</b>	<b>344</b>

# 2021 WMBE Utilization– Ethnicity Breakout

Ethnicity	Ethnicity Spend	Ethnicity Percent	Ethnic Companies
Asian	\$10,683,311	2.0%	53
Black or African American	\$10,020,271	1.9%	30
Latinx	\$11,451,900	2.2%	29
Multi-Racial	\$3,986,285	0.8%	3
Native American	\$7,852,250	1.5%	14
Other Minority **	\$188,693	0.0%	3
Minority Ethnicity Total*	\$44,182,710	8.3%	132
Caucasian Women	\$21,401,528	4.0%	158

\*Includes P-Card purchases which are not broken down by ethnicity.

\*\*Respondents stated they are a minority but did not specify ethnicity. Ethnicity data for WMBE firms only.

# 2021 WMBE Division Utilization (Non-Construction)

Division	2021 Goal	2021 Actual
Aviation (AV)	16%	12.3%
Economic Dev. (EDD)	13%	15.8%
Maritime (MD)	15%	13.8%
*Corporate	18%	15.3%
<b>Total</b>	<b>16%</b>	<b>13.0%</b>

# 2021 WMBE Division Utilization (Non-Construction) - \*Corporate

Department	2021 Goal	2021 WMBE Attainment (Percentage)
Police	10%	2.3%
Human Resources	16%	22%
External Affairs	13%	19.9%
Office of Strategic Initiatives	50%	83.7%
Internal Audit	0%	7.7%
Labor Relations	12%	40.9%
Diversity, Equity & Inclusion	20%	7.9%
Engineering/Port Construction Services	10%	11.5%
Environmental	2%	0.1%
Central Procurement Office	5%	5.1%
Legal	5%	0.1%
Finance/ICT/BI	19%	24.6%
Commission	8%	10.9%

**\*Corporate**

**Goal: 18%**

**Attainment: 15.3%**

## Non-Construction

- 2021 WMBE Spend decreased 3% from previous year
  - Possible pause or delay of some contracts from late 2020 to 2021
  - Late Reporting of Payments made to WMBEs
  - What were the major drivers of spend?
- Still progress from 2019 utilization – pre-Covid

Year	Port Spend	WMBE Spend	% Utilization
2017	\$185,473,454	\$16,052,757	8.66%
2018	\$180,188,026	\$16,479,395	9.15%
2019	\$208,650,356	\$25,258,177	12.11%
2020	\$199,865,542	\$32,974,802	16.50%
<b>2021</b>	<b>\$205,561,136</b>	<b>\$26,746,215</b>	<b>13%</b>

## Construction

**Construction WMBE Spend has increased since 2017**

- WMBE Pre-Bid Analysis: Average WMBE Construction Goals - **10% - 12% (Majority of projects Low-Bid)**
- Availability of firms based upon Work Breakdown Structure
- (2021) Only 2 Affirmative Efforts reviews were conducted for not meeting Aspirational goals

Year	Port Spend	% Change	WMBE Spend	% Utilization
2017	\$230,424,913	--	\$19,065,459	8.27%
2018	\$516,504,619	124.20%	\$45,287,278	8.77%
2019	\$493,247,548	(4.50%)	\$44,969,418	9.12%
2020	\$495,708,130	0.50%	\$42,530,283	8.58%
2021	\$325,178,389	(34.4%)	\$37,322,803	11.5%



# 2021 Training and Outreach Efforts

## Training

- 101 Level: 2021 PortGen Class attendance has increased due to virtual platforms— **722 businesses attended seminars we sponsored**
- 201 Level: Advanced PortGen training series in partnership with USDOT
- 301 Level: **First WMBE/SBE Business Accelerator Program**

## Engagement

- WMBE partner orgs (Highline SBDC, Tabor 100, NMAC, Ethic Chambers) to support Covid-19 relief
- Participation in Association of General Contractors (AGC) Diversity Sub-Committee

## Capacity Building

- Federal **Disadvantage Business Enterprise (DBE)** Trainings (Internal & External)
- **Internal WMBE Utilization** Department/Divisions Trainings
- Pushing Construction goals and efforts



# **Diversity in Contracting 2022 Goals**



# 2022 WMBE Division Utilization Goals (Non-Construction)

Division	2022 Goal	2021 Actual	2021 Goal
Aviation (AV)	15%	12.3%	15%
Economic Dev. (EDD)	14%	15.6%	14%
Maritime (MD)	16%	16%	16%
Corporate	14%	14.5%	18%
<b>Port Wide</b>	<b>15%</b>	<b>13%</b>	<b>16%</b>

# 2022: Establishing Construction Goals

- 2022 is the first year Port will have annual construction goals by division
- Goal Setting Support for Divisions
  - Forecast Future Spending
  - Analyze historical WMBE utilization
  - Calculate
  - Adjust

## Challenges

Forecasting, accurate and consistent process

## Solution

Diversity in Contracting is establishing an initial Port-wide goal for construction

Construction Utilization	2021 Actual	2022 Goal
Total	11.5%	12.5%

2021 was third year of the DC program

## Pro

- We continue to see an overall increase in WMBE Utilization
- Number of utilized WMBE firms in 2021 – **344** (5 year - Goal 354)

## Con

- Program is not on target to achieve Port-wide 5-year WMBE utilization goal of 15%.
- Port will not achieve 15% without increasing construction WMBE utilization

- 1. Encouraging more Alternative Delivery Methodologies (Best Value) vs Low –Bid projects**
  - Increasing Diversity in Contracting evaluation points within RFP sections
  - Evaluate Diversity in Contracting efforts or better tie in within the Project Approach sections that are in RFP's
- 2. Push harder on low-bid WMBE Aspirational Goals (May increase Affirmative Efforts reviews)**
  - Be OK to move to next bidder with the possibility of higher bid price
- 3. Increased compliance of established and accepted WMBE goal on projects**
  - Stronger enforcement tools
  - Posting of WMBE Results of Primes

- Complete WMBE Analysis Study
- Continue to focus on WMBE businesses utilized
- Provide ongoing training to WMBE/DBE businesses
  - PortGen (101)
  - Advanced PortGen (201)
  - WMBE/SBE Business Accelerator (301)
- Pushing Federal DBE Certification on upcoming federally assisted projects
- Maximize WMBE goals on future alternative contracting methodology contracts (GC/CM, D/B, JOC)
- Capacity building: support WMBE businesses pursuing small works and JOC projects
- Explore development of an Architectural & Engineering program for small business, Veteran, WMBE businesses

# Thank You

[RETURN TO AGENDA](#)



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.**

11c

**BRIEFING ITEM**

**Date of Meeting**

April 12, 2022

**DATE:** April 4, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Wayne Grotheer, Director Aviation Project Management  
Dawn Hunter, Interim Aviation Chief Operating Officer

**SUBJECT: C Concourse Expansion Briefing (C800845)**

**EXECUTIVE SUMMARY**

The purpose of this project briefing is to communicate the project progress on design and sustainability goals and to highlight key risks and challenges.

Over the last decade, leasable space post-security at the Seattle-Tacoma International Airport has become almost non-existent due to the continued growth of airlines and tenants' operational and administrative needs. Staff has identified the C1 Building area as a key location where the terminal can be expanded without the consumption of additional real estate (building up rather than out). There are no other viable options for expanding the terminal without significant negative impacts to existing capacity or operational areas.

The C Concourse Building Expansion (CCE) was created to address the shortfalls in Airport Dining and Retail (ADR) capacity, public amenities, office space, and premium lounge space resulting from the continued growth. The project is located at the intersection of Concourses C and D and will add four floors to the existing three floor C1 building structure to accomplish our goal to build up rather than out.

The CCE Project will grow ADR services with two floors of new space. These floors will include 17,000 square feet of new food and beverage locations and 8,000 square feet of new retail space. This additional square footage will provide a higher level of service to travelers and generate additional non-aeronautical revenue. The remaining three new floors will provide space for two new premium lounges and additional office space. The office space will serve to support existing tenants, airlines, and TSA in addition to creating support space for the new ADR spaces. The project is supported by the airlines at \$340M, including letters of interest for large portions of the leasable space, and a favorable Majority in Interest (MII) vote for the project.

The project will also be constructing new amenities for the traveling public. These will include restrooms, a meditation room, a sensory room, nursing suites, and a public lookout. These

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amenities combined with the unique architectural experience of the CCE will create a destination location within the C Concourse.

CCE is the first Tier 3 project to go through the Port's new Sustainable Evaluation Framework process and is anticipated to meet approximately 47% of the potential increased energy load through low-carbon and renewable energy and avoid approximately 90% of the potential increase in carbon emissions.

The project will provide economic opportunities to WMBE during design and construction, and to ACDBE post-construction.

### **Program Status Update**

Previous authorizations allowed the project team to procure a designer and a general contractor / construction manager (GCCM). Both teams started work in early 2021 and have progressed the project to a 30% level of design.

Procuring the GCCM at this early stage has provided the project with several advantages. The GCCM has been providing estimating services and constructability comments during design development. While the project is currently trending over the estimate, several steps have been taken with the support of the GCCM to mitigate these trends. These early steps also provide an increased level of transparency to the project stakeholders and the Commission about the project budget.

The GCCM is also working on phasing plans and developing a project schedule. These phasing plans are being utilized to communicate operational impacts that are several years out. The plans also help the CCE project to coordinate with other Capital Improvement Projects happening near the CCE work. Most importantly, the team is optimistic that the phasing efforts will result in a savings on the project schedule.

Even though the project is currently at 30% design development overall, accelerated design for early work will allow the GCCM to start onsite construction in Quarter 2 2022. The early work will involve upgrading the existing building foundations and civil work on the ramp. Full construction on the building expansion is scheduled to start Quarter 2 2023.

### **Program Budget Update**

The original project was estimated to be \$340 million. Since that time the estimates for the project have grown. The drivers of the increases are additional sustainability scope, baggage transfer line impacts, and contractor estimates reflecting escalation due to COVID and the current geopolitical situation.

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To manage costs and scope the project has taken several steps. Between concept and 15% design the Port, the contractor, and the design team met every two weeks to value engineer and right size the project scope. That effort led to a \$20 million reduction to the concept estimate. That right-sized scope and project programming was used to develop a 30% design. The 30% design was again estimated and the estimates were reviewed and reconciled with the Port, the designer and the contractor.

As the design develops, the project teams will continue to assess potential savings in real time with the design team and the contractor. While this will not prevent the higher cost of delivering the project, it will be a tool to control the cost increases and ensure that the scope of work is appropriate to the needs of SEA.

Original Estimate Range: \$340M - \$510M

#### Estimate Trends

Sustainability Initiatives: \$10.4M

Non-Discretionary Scope Changes: \$24M

Escalation and Scope Definition: \$32.6M

Current Estimate Range: \$340M – \$420M

The available Program Contingency is \$30M. The project team is assessing how much of this contingency can be allocated to the existing budget. The team is working to balance known risks against the available funds.

#### **Diversity in Contracting**

WMBE outreach efforts through local community organizations and publications have begun in support of CCE construction efforts. This includes targeted WMBE and small business pre-bid job walkthroughs for better understanding of project efforts, prior to upcoming bids.

Current WMBE goals:

1. Designer: 12%
2. GCCM: 12% (The GCCM goal may be modified as design progresses and the scopes of work are further developed.)
3. Program Management and Construction Management: 20%

The project is anticipated to provide approximately 28% in Airport Construction Disadvantage Business Enterprise (ACDBE) post-construction ADR opportunities.

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### **Key Risks and Mitigation Strategies**

1. Complex phasing: The C1 Building, where the expansion is to occur, is currently occupied on all three existing levels. Throughout the life of the project, these levels will be occupied to a greater or lesser extent at different times during construction. The mitigation strategy employed to control this risk is the early procurement of the GCCM. The GCCM will be a partner with the project team and designer in creating a viable phasing plan and finding cost effective solutions to phasing challenges.
2. Operational constraints: The C1 Building is located at the intersection of Concourse C and Concourse D. There is limited access for construction material laydown and the construction equipment required to erect a new building. The project team employed two different strategies to control this risk: early procurement of the GCCM and early involvement of Airport Operations. The project team completed Safety Risk Assessments that addressed safety and operational concerns both during construction and in the final configuration of the building.
3. Transfer Line Capacity: Transfer lines are used to transfer baggage from one flight to another. There are a limited number of these lines available for use. Since the project was first conceived, the needs of our airline partners have changed. Changes to the transfer lines add additional complexity to our phasing and operational constraints. We will be mitigating this risk by transferring scope and funds to the Baggage Optimization Program which is already in construction. That program is best suited to design, contract, and manage this very specialized scope of work.
4. Tenant Buildouts: The majority of the new building will be leasable space. The interiors of these spaces will be built by the various tenants that are procured by Properties and ADR. To fully open the building and start generating revenue, the tenants will be building out their spaces while the project team is constructing the base building. This will require a high level of coordination between tenant procurement, design, and construction. Properties and ADR will need to let prospective tenants know details about each space. They need to understand square footage, utility capacity, and use restrictions. The project will need to coordinate construction times and durations, lay down areas for each tenant, material deliveries, and space commissioning. The project is managing these risks with multiple efforts. The project, in conjunction with the design team, will create a tenant handbook. The details for each space will be specified and restrictions being driven by the base building will be listed. During design and construction, each tenant will have a project manager assigned to them that will shepherd them through the Port design and construction process.

### **Environmental Sustainability**

CCE is the first Tier 3 project to go through the Port's new Sustainable Evaluation Framework process (Resolution 3768). The project team, in conjunction with internal Port experts from AV

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Environment and Sustainability, Facilities and Infrastructure, and Maintenance departments, evaluated the costs and sustainability benefits of 34 different strategies. The top 8 strategies were recommended to SEA leadership and then to the Commission’s Sustainability, Environment, And Climate (SEAC) Committee.

The recommended sustainability strategies are listed below by category. By implementing these strategies, the project will meet approximately 47% of the potential increased energy load through low-carbon and renewable energy and avoid approximately 90% of the potential increase in carbon emissions. While we cannot quantify the sustainability benefits of the equity strategies, the employee breakroom will provide a quiet location away from passengers, and the additional storage location will provide easy drop-off for tenants and pick-up location for the food bank that supports our food donation program. Lastly, the low-flow fixtures will reduce 8% of water usage when compared to baseline.

#### Energy/Carbon

- Tenant all electric hot water heaters
- Tenant all electric cooking
- Fossil-fuel free heating
- Rooftop photovoltaics

#### Equity

- Employee breakroom
- Signage for public transportation
- Storage location for food donations from tenants

#### Water Conservation

- Low flow fixtures

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### Authorization Summary

#### *Cost Estimate/Authorization Summary*

<b>COST ESTIMATE</b>	<b>Capital</b>	<b>Expense</b>	<b>Total</b>
Original estimate	\$331,776,000	\$8,224,000	\$340,000,000
<b>AUTHORIZATION</b>			
Total authorizations	\$86,174,000	\$7,926,000	\$94,100,000
Remaining amount to be authorized	\$245,602,000	\$298,000	\$245,900,000

### ATTACHMENTS TO THIS BRIEFING

- (1) Presentation

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**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- March 8, 2022 – Authorization to execute a Service Agreement for a third-party Commissioning Agent
- April 27, 2021 – C1 Building Project Additional Design and General Contractor/Construction Manager Early Work Authorization – Special Inspection and Testing Authorization
- May 26, 2020 – C1 Building Project Design and General Contractor/Construction Manager Authorization
- March 10, 2020 – C1 Building Project Briefing and Introduction
- June 26, 2018 – C1 Building Project Authorization for Planning Funds
- July 11, 2017 – The Commission authorized (1) advertise and execute a construction contract for the Gate C3 Holdroom Expansion project at Seattle-Tacoma International Airport; and (2) use Port crews in executing the project
- January 26, 2016 – The Commission authorized design of an expansion for the existing Gate C3 passenger Holdroom at Seattle-Tacoma International Airport.

# C Concourse Expansion

## Project Briefing

April 12, 2022

# Agenda

- Briefing Purpose
- Project Purpose
- Project Location
- Expansion Renderings
- Sustainability Initiatives
- Budget and Schedule



# Briefing Purpose

- Update Commission on design, sustainability, and budget status.

# Project Purpose

- Increase airport revenue through
  - Increase Airport Dining and Retail offerings
  - Increase leasable office space
  - Increase airline lounge capacity
- Improve Customer Service by:
  - Increase C3 holdroom size
  - Add passenger amenities (restrooms, meditation room, nursing rooms)
- Increase economic opportunities

# Project Location



# Expansion Status and Renderings

# Project Status

- The CCE Program consists of the main C Concourse Expansion (CCE) design package and three accelerated design packages:
  - Main CCE package: 30% complete, 60% due late Q3 2022
  - Civil and Structural foundation package: 100% designed and bid
  - Tenant relocation design package: 90% complete
  - Structural Steel design package: 60% complete



# Building Exterior





# Performance Stair





# Mezzanine





# Public Lookout



# Sustainability Initiatives

# Budget and Framework

- Sustainable Evaluation Framework: Airport's first Tier 3
  - Estimated environmental sustainability impacts from project
  - Brainstormed reduction strategies, and evaluated costs and benefits
  - Presented recommendations to SEA leadership, and the Commission Sustainability, Environment, and Climate Committee (SEAC)
  - Costs to implement initiatives not included in original budget

# CCE: Baseline Sustainability Impacts

Without intervention or sustainability strategies:

- Energy increases by 21,000 MMBTU/year
- Carbon increases by 620 tonnes/year
- Solid waste increases by 488 tons/year
- Increased transportation demand for employees
- No adverse impacts on equity but project could provide opportunities to support tenant employees

# Recommendations

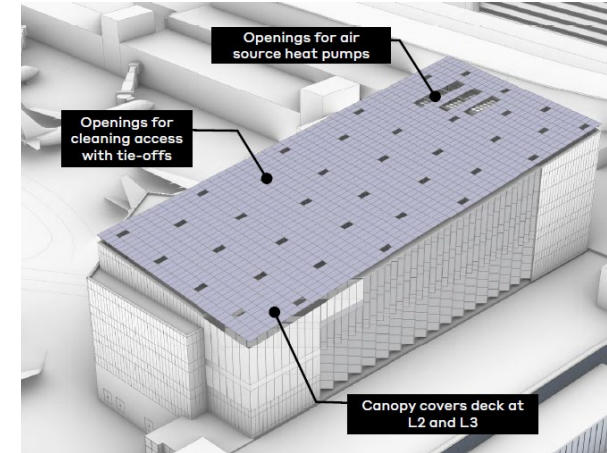
## Carbon/Energy Strategies

- Tenant all electric hot water and cooking
- Fossil-fuel free heating (heat pumps)
- Rooftop photovoltaics
- *Reduce carbon 90%*
- *Meet 47% of new energy load with low carbon sources and renewables*

## Equity Strategies

- Employee break room
- New food donation storage reduces waste by ~3%

First cost: \$11M and TCO: \$13M



# Budget and Schedule

# Budget Overview

Original Estimate	\$340M-\$510M
MII Approved Budget	\$340M
Spent to Date	\$9.2M
Estimate Trends	
Sustainability Initiatives (includes soft costs)	\$10.4M
Non-Discretionary Scope Changes	\$24M
Escalation and Scope Definition	\$32.6M
Current Range	\$340M– \$420M

# Program Contingency Status

- Available Program Contingency is \$30 Million
- Project team is assessing how much of this contingency can be allocated against Estimate Trends
- Evaluating Risk Register against available contingency

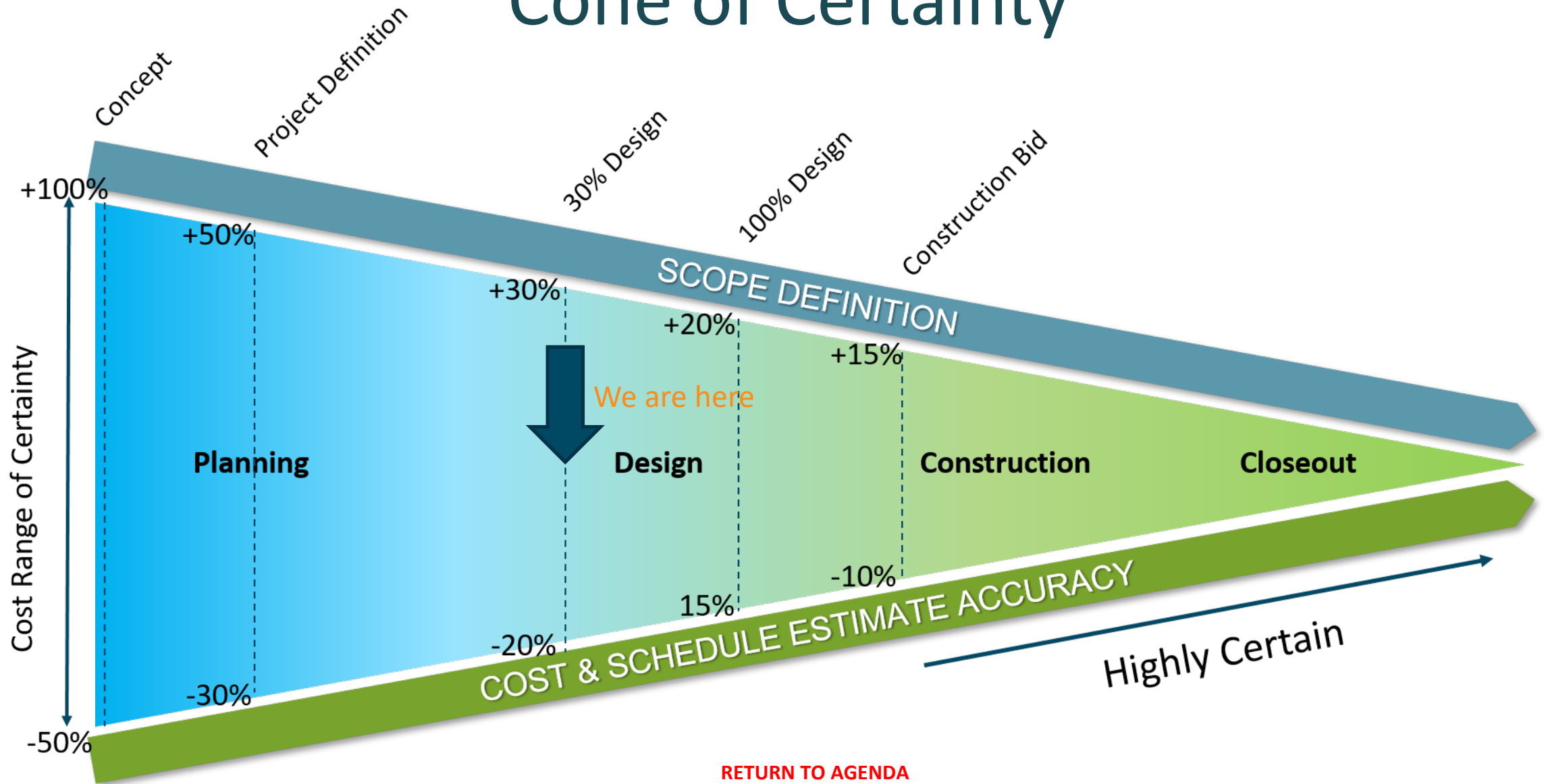


# Schedule Milestones

- 2022 Commission Dates
  - April 26: Authorization for Baggage Transfer Line Budget Transfer
  - June 14: Authorization for Structural Steel Package Funding
  - September 27: Project Briefing
- Construction Milestones
  - Q2 2022: Start structural foundations and civil work
  - Early Q4 2022: Start TSA relocation from existing C1 Building
  - Q2 2023: Start building structural steel
  - Early Completion Q1 2026
  - Late Completion Q2 2027

# Questions?

# Cone of Certainty



**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.** 11d

**BRIEFING ITEM**

**Date of Meeting** April 12, 2022

**DATE:** March 24, 2022

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Amberine Wilson, Emerging Talent Manager  
Kim DesMarais, Talent Management Director  
Katie Gerard, Human Resources Senior Director

**SUBJECT: Youth Internship Programs Update**

**EXECUTIVE SUMMARY**

This briefing informs Commission of 2021 outcomes and 2022 goals for the Port's Youth Internship Programs. It also briefly reviews program history.

In 2021:

1. We restored our post-secondary programming, offering 55 internships for college students and youth in certificate programs.
2. We recruited from communities furthest from opportunity and most impacted by COVID19, including focusing our post-secondary recruitment on graduating seniors who were facing unprecedented unemployment.
3. Our high school program maintained 80% of its budgeted hires and held virtual internships every quarter.
4. We hired a consultant to manage our first Youth Experts Panel, a community engagement process that gathered feedback, recommendations, and priorities from partners and former interns.
5. We continued our partnerships with Young Executives of Color, El Centro de la Raza, Puget Sound Skills Center, our Muckleshoot and Suquamish neighbors, Duwamish Valley Youth Corps, and the Museum of Flight.
6. We also developed new partnerships with YearUp, Asian Counseling and Referral Services and with YWCA's Femme2Stem program.

Key 2022 efforts include: design youth opportunities with Maritime and Aviation High Schools, expand outreach to several other youth-serving organizations, and develop an MOU with our Muckleshoot and Suquamish partners.

**BACKGROUND**

In the last six years, the Port has rapidly increased its high school and college internship programs, while keeping expenses flat. Through innovation and community partnerships, we

Meeting Date: March 9, 2021

have also worked to improve the program quality and equity each year. All opportunities now have a focus on not just raising awareness, but also developing the skills needed to succeed in Port-related industries.

Faced with a global pandemic, we modified our program with a laser focus on equity. We deepened existing partnerships and built new ones, including with Muckleshoot and Suquamish high schools. We designed and offered virtual internships during 2020 when most other organizations cancelled internships. However, the virtual programming design that was successful in 2020, was significantly less effective in 2021. Many youth were exhausted with the virtual model after a year of online school.

We continue to make necessary adjustments to ensure our programs operate equitably within a regional Career Connected Learning strategy. This year we are designing and implementing hybrid internship program with Departments and Divisions across the Port.

### **PROGRAM UPDATES**

#### ***Recruitment***

- We work closely with our community and education partners to recruit a diverse cohort of youth for our high school internship program:
  - 80% of high school interns are youth of color
  - 47% are young women
- We do intentional outreach and advertising to organizations that support youth of color for our post-secondary programming:
  - 58% of post-secondary interns are youth of color
  - 49% are young women

#### ***Programming***

- Port will hire 60 high school and 55 post-secondary interns in 2022
- Port's paid internships offer hybrid and flexible scheduling as appropriate, center on meaningful project work, and offer multiple opportunities for networking and mentorship.
- For the first time, the Port's banking contract has engaged our banking partner to provide financial literacy workshops for our interns.

#### ***Alumni Engagement/Pipeline Development***

- A LinkedIn Alumni Group and Alumni engagement surveys go live this year.
- We will be partnering with WFD's Youth Career Launch programming
- Our baseline conversion rates are below:
  - 3.5% of high school interns return as FTEs or post-secondary interns

Meeting Date: March 9, 2021

- 13.5% conversion of post-secondary interns return as FTEs

## **2022 COMMUNITY PRIORITIES AND STRATEGIC GOALS**

### ***Community Priorities***

Working with community as expert advisors mirrors the Equity Motion's call to ensure Port accountability to the public in the integration of equity principles into the Port's work. In 2021, we hired a WMBE consultant, MeKyel Bailey, to manage a community engagement process with our partners and former interns. MeKyel gathered feedback and recommendations that informed our priorities and goals for 2022.

Our Community Partners Priorities:

- **Equity** – Ensure youth furthest from opportunity have priority access to the Port's internship programs. Formalize and publish processes.
- **Inclusivity** – Include multiple languages in outreach efforts. Offer opportunities for parents to engage.
- **Cultural Awareness** – Understand the history between the Port and near Port communities. Include traditions in outreach and programming.

### ***Emerging Talent Strategic Goals***

- (1) Ensure our program and processes are equitable for communities furthest from opportunity by nurturing strong partnerships and connections.
  - Understand history of Port communities
  - Leverage Port's Equity Index
- (2) Lead high quality inclusive programs designed to develop diverse talent pipelines into Port of Seattle Careers.
  - Include families in outreach and showcases
  - Offer outreach in multiple languages
  - Include traditions in outreach and programming
- (3) Track and demonstrate outcomes to ensure continued investment and strategic decision making in our programming.
  - Formalize and publish processes

## **ATTACHMENTS TO THIS BRIEFING**

- (1) Presentation slides

## **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

June 23, 2020 – The Commission authorized Workforce Development Policy Directive, Resolution No. 3776

February 11, 2020 – The Commission was briefed on Youth Internship Programs

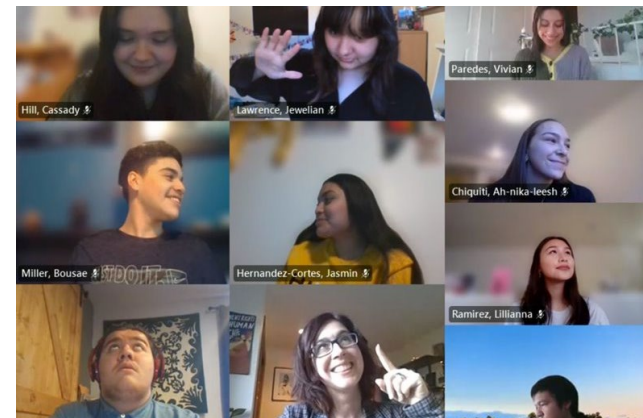
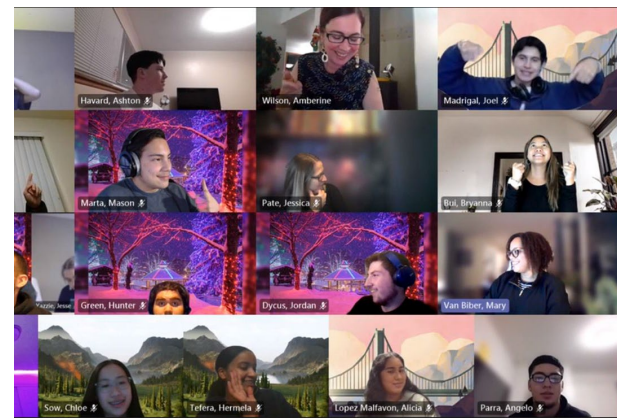
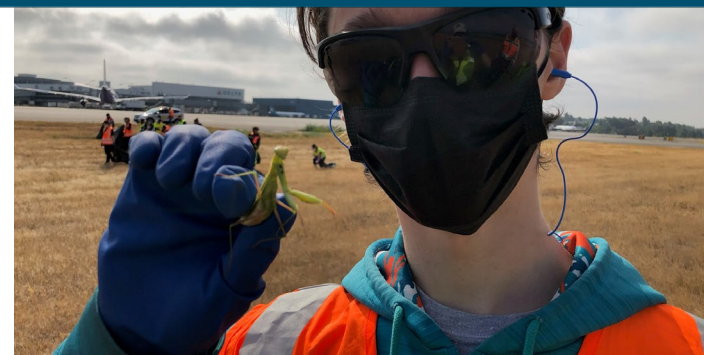
November 27, 2018 – The Commission was briefed on Youth Internship Programs

May 9, 2017 – The Commission was briefed on Workforce Development Update



# Port of Seattle Internships

Item No: 11d supp  
Meeting Date: April 12, 2022



Emerging Talent Commission Briefing  
April 12, 2022

# Agenda

- Emerging Talent Goals
- Background
- Partner  
Recommendations
- 2022 HS Intern Program
- 2021 Outcomes





# Emerging Talent:

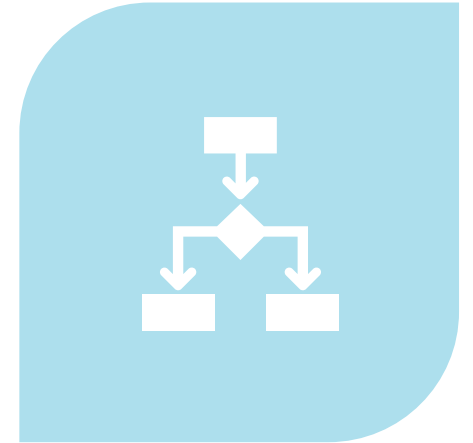
## *Raise Awareness and Develop Talent*



EQUITY FOCUS

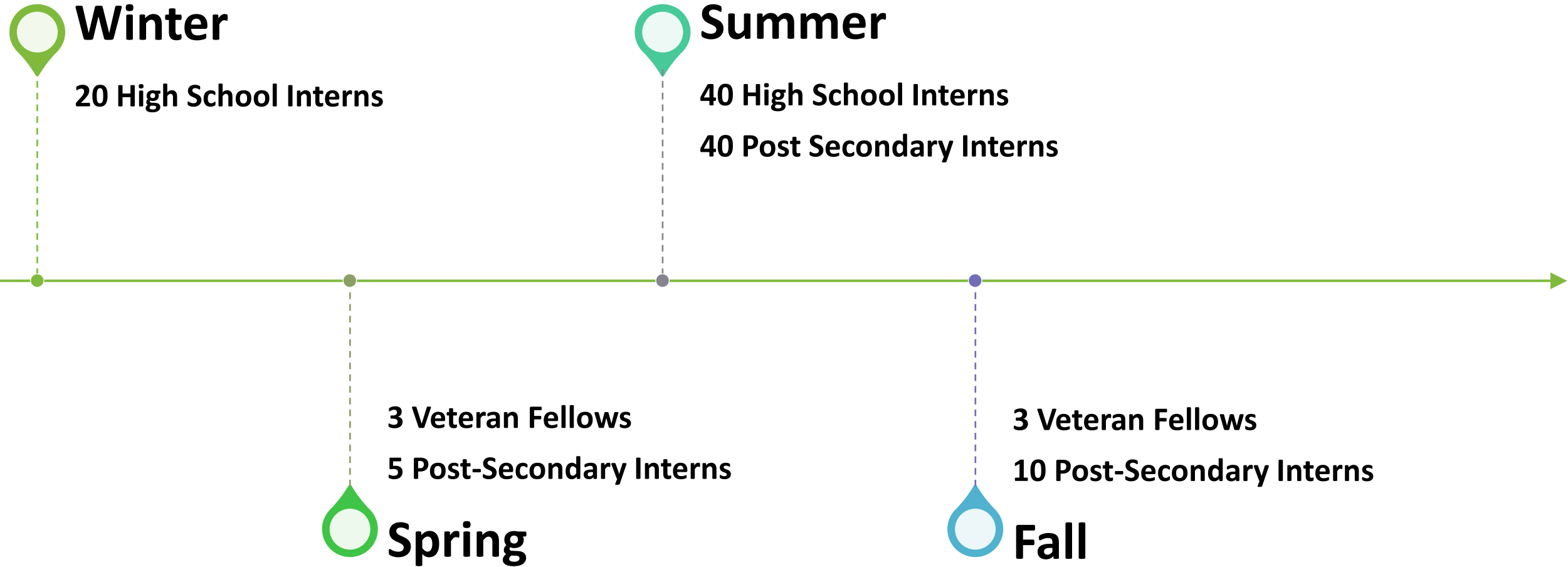


HIGH QUALITY INCLUSIVE  
PROGRAMS



DEMONSTRATE OUTCOMES

# Emerging Talent



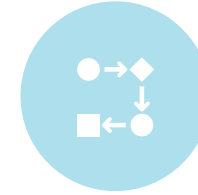
# Since the 2015 Commission Motion



Doubled post-secondary internship opportunities



Grew high school internship opportunities ten times



Opportunities Across Career Connected Learning Continuum



Offered Paid and Credit Earning Internships



High Quality, project-based, internships



Youth Experts Panel: Community Program Design Process



Offer Year-Round Opportunities



Designed virtual and hybrid programming



Increased Equity and Diversity of programs and processes.

# Community Partner Recommendations

## Formalize Processes

- ☐ Outreach Priorities
- ✓ Cohort Recruitment and Selection Process
- ✓ Program Schedules

## Increase Communications

- ✓ Quarterly Engagement with Youth
- ✓ Monthly Meetings with Partners
- ☐ Partnership Handbook

## Update Application Process

- ☐ Develop Questionnaire
- ✓ Include Story-Telling Element
- ✓ Open a requisition for unaffiliated youth

# Summer Curriculum Outline - Hybrid



## **Week 1**

Getting to know the Port  
and each other

Team development

Workplace expectations



## **Weeks 2-6**

Transferable skill  
development

Facility Tours

On Site Workdays

Meetings with project  
stakeholders and mentors



## **Week 7-8**

Finalize projects

Career Development

Next Steps Career Fair

Final presentations

# Inclusive Mentorship Model

- Port mentors are representative of intern population
- Small group discussions on Fridays
- Topics:
  1. Feeling Valued and Respected in the Workplace
  2. Finding Your Passion
  3. Setting Personal, Academic, and Career Goals
  4. Authentic Networking
  5. Identifying Strengths and Weaknesses
  6. Youth Led Topic



# Career Connected Learning

## Awareness

Virtual Sessions  
for Families  
Youth-led  
Outreach  
Translated  
Materials  
Career Fairs

## Experience

Facility Tours  
Habitat  
Restoration  
FOD Walk  
Project-Based  
Work

## Prepare

Project  
Management  
Leadership  
Public Speaking  
Networking

## Launch

Career Next Steps  
Resource Fair  
Post-Secondary  
Internships  
WFD Programs



# HR Outreach & Career Awareness Strategy



Port Employee  
Resource Groups



Community  
Partnerships



Virtual Open Houses



Career Fairs



Intentional Advertising



Registered Student  
Associations



Community Events



Internships and  
Fellowships



Youth Led Outreach



# 2021 Outreach

- Program materials translated into 5 different languages
- Over 2000 conversations
- 116 families impacted
- 93 school and community org staff
- 42 middle school students
- 2 Youth Outreach Solutions published in multiple languages



**SUMMER 2022**  
Come Aboard. Spread Your Wings.

**Port of Seattle**

## High School Internships

**Apply to Port of Seattle High School Internships!**

Join us for a **paid, eight-week hybrid internship program** to explore careers at the Port of Seattle in aviation, maritime, governance, and green jobs while learning skills in:

- Project management
- Public Speaking
- Networking
- Leadership

**Program dates:**  
July 6 - August 26

**\$17.56 per hour**

**Up to 25 hrs/week**

**Requirements:**

- at least 16 years old
- U.S Work Authorization
- Full Covid-19 vaccination

**Apply May 9 - 22**  
[www.portseattle.org/careers/internships](http://www.portseattle.org/careers/internships)

**Come to a virtual open house to learn more:**

**ENGLISH:**  
Every Thursday in April | 5:30-6:15 PM

**SPANISH:**  
Every Wednesday in April | 6:00-6:45 PM

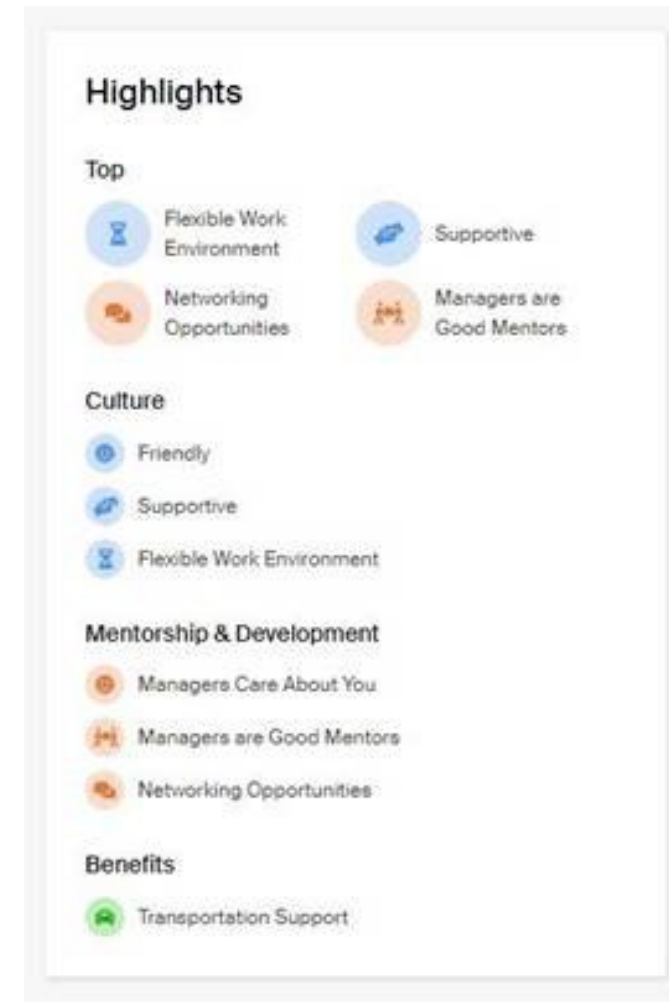
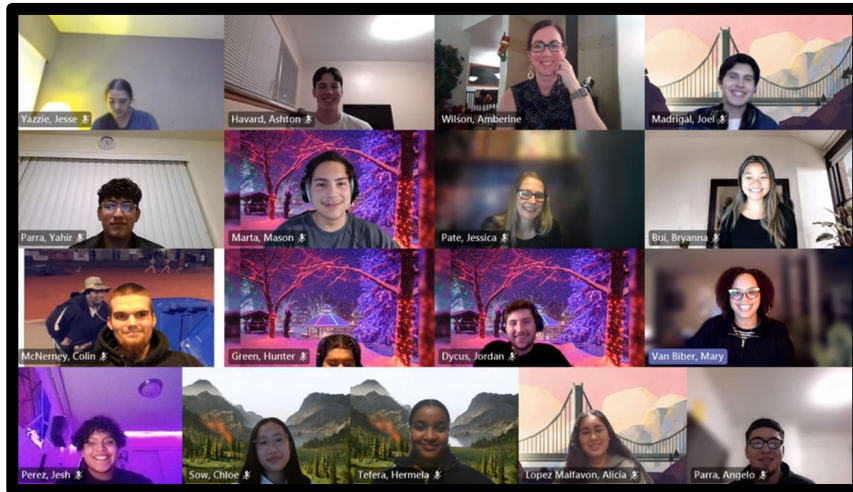
**Find an upcoming session at:**  
[tinyurl.com/events-at-the-port](https://tinyurl.com/events-at-the-port)

**SCAN ME**

# 2021 Learning Outcomes

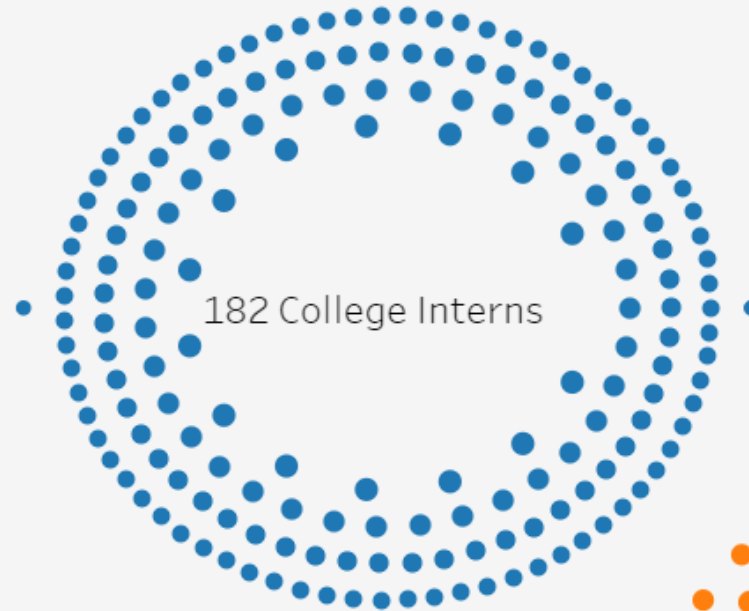
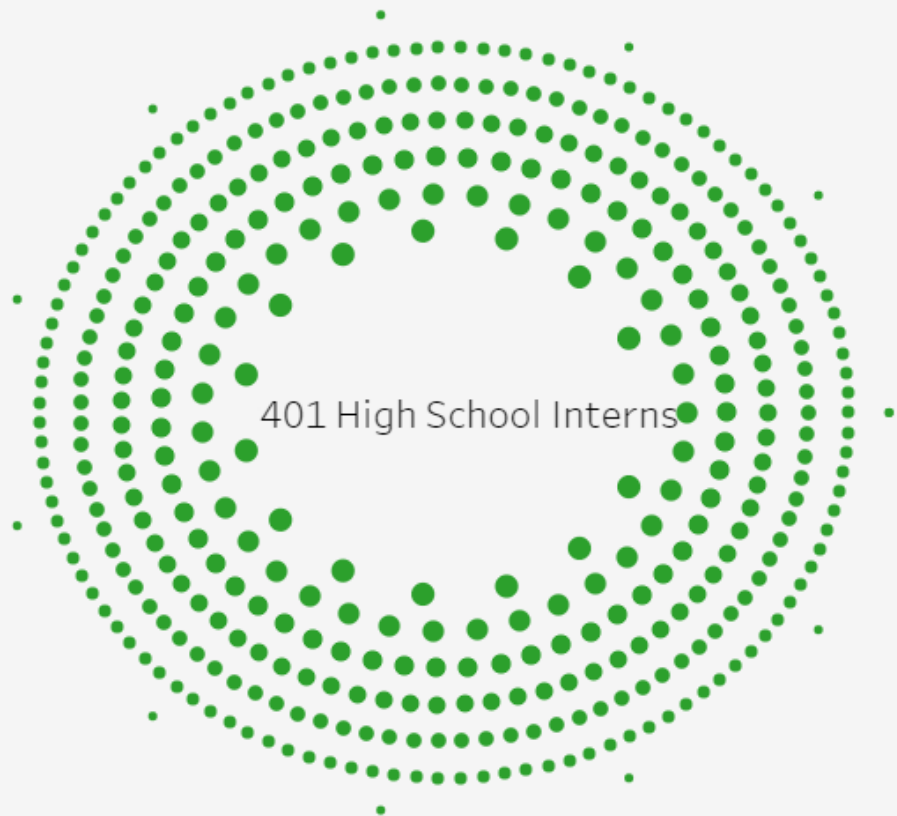
## Impact Survey

- Results are not valid due to lack of survey engagement
- Burnout on virtual programming



# Talent Pipelines

696 Total Participants across all programs.



# Proposed Education and Community Partner Criteria



Support youth living in “very low” equity zip codes, as defined by Equity index



Provide youth with ongoing support and wrap around services



Offer youth career development training



Have demonstrated commitment to anti-racism and equity, diversity and inclusion



Able to assist with recruitment of interns



Is a community-based organization or school



Willing to track and share metrics on alumni



Preferred: Connection to Port related industries



Preferred: Willing to collab on curriculum development

[RETURN TO AGENDA](#)